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USSR WORLD TRADE

ACTIVITY OF USSR CHAMBER OF COMMERCE AND INDUSTRY REVIEWED

Moscow EKONOMICHESKAYA GAZETA in Russian No 22, May 83 p 20

[Article: "The Activity of the USSR Chamber of Commerce and Industry"; passages rendered in all capital letters printed in boldface in source]

[Text] The USSR Chamber of Commerce and Industry celebrated its 50th anniversary in 1982 and was presented a high government award -- the Order of Friendship of Peoples.

The work of all links in the Chamber of Commerce and Industry is characterized by the further expansion of the geographical area of its foreign ties and by the development of traditional and new forms of cooperation with national and international economic organizations.

Cooperation with the chambers of commerce and other organizations in the socialist commonwealth states is carried out considering the recommendations of the 21st and 22d meetings of the chairmen of CEMA member country and the Socialist Federated Republic of Yugoslavia chambers of commerce. This work is primarily aimed at promoting the implementation of the Complex Program of Socialist Economic Integration and the long-range special purpose programs for cooperation and at developing ties between producers in order to further expand production specialization and cooperation.

Cooperation with business circle organizations in the developing countries has been noticeably expanded. For example, the third working meeting of representatives of the USSR Chamber of Commerce and Industry and the Federation of Indian Chambers of Commerce and Industry has been held. Agreements on cooperation have been signed with the chambers of commerce of Kuwait and Nigeria.

Despite the obstructionist and discriminatory measures of U. S. ruling circles, cooperation with the business circles of the industrially developed capitalist countries has been further expanded. Trade and industrial delegations from Austria, Great Britain, Spain, Finland, France, Switzerland, and a number of other countries have visited the Soviet Union. West Berlin Days have been conducted in Moscow for the first time.

DURING THE PAST YEAR, MORE THAN 100 DELEGATIONS OF BUSINESS REPRESENTATIVES FROM 99 COUNTRIES OF THE WORLD WERE RECEIVED BY THE USSR CHAMBER OF COMMERCE AND INDUSTRY.

General assemblies of British-Soviet, Italian-Soviet, Finnish-Soviet, and Franco-Soviet mixed chambers of commerce, general meetings of American-Soviet trade and economic councils (ASTES) and joint meetings of committees for promoting the development of trade with Austria, the Belgium-Luxembourg economic union, and Spain have been held.

The scale and mass nature of a number of these measures once again confirm the bankruptcy of Washington's policy that is aimed at undermining mutually beneficial cooperation between countries with different social systems. In particular, a meeting with the most impressive delegation in history of Japanese business circles was held in Moscow in February 1983. The regular general assembly of the Italian-Soviet Chamber of Commerce and the annual meeting of the British-Soviet Chamber of Commerce, which represent hundreds of firms in Italy and Great Britain, were conducted in March of this year.

A new form for promoting the development of foreign economic cooperation was born last year with the participation of the chambers; at the initiative of Finland's business circle newspaper KAUPPALEKHTI and EKONOMICHESKAYA GAZETA, a Soviet-Finnish symposium on trade and economic cooperation matters was held in Helsinki in April. The all-union "Sovintsentr" and "Ekspotsentr" associations participated in it from the USSR Chamber of Commerce and Industry.

Contract forms of cooperation have been expanded and improved. An agreement on cooperation with the Stockholm Chamber of Commerce and a plan for implementing the agreement on cooperation with the Danish Industrial Federation during 1983-1984 have been signed, and a new regulation for the British-Soviet Chamber of Commerce has been adopted.

Contacts with different international economic organizations continued to be expanded. The cooperation of the USSR Chamber of Commerce and Industry with the International Chamber of Commerce within the framework of the "East-West" Committee has been expanded. Contacts with the UNCTAD Secretariat have been implemented. Two seminars on questions concerning the development of trade between the socialist countries of eastern Europe and the developing countries were conducted in Moscow during 1982 along the lines of this international organization. The regular plenary conference of the chambers of commerce of the Baltic Sea basin countries was held in Moscow.

During 1982, the USSR Chamber of Commerce and Industry organized 28 exhibitions abroad in 22 countries, including 13 European countries, five Asian countries, three African, and one Latin American country. In addition, four information centers were sent abroad: to Bolivia, Gabon, the Sudan, and Luxembourg.

Through the language of the displays and by means of the broad information, our expositions told about the Soviet way of life and the increase in the

effectiveness of the USSR's national economy which was based on the successful carrying out of the country's social and economic developmental program that was outlined by the 26th CPSU Congress. The sections under the title "60 Years in the Harmonious Family of USSR Peoples" occupied a central place. During the jubilee year, 14 union republics and two autonomous republics of the Russian Federation were represented by individual sections in Soviet expositions abroad.

THE TOTAL AREA OF ALL SOVIET EXHIBITIONS ABROAD DURING 1982 WAS 95,000 SQUARE METERS, AND THE NUMBER OF THEIR VISITORS WAS APPROXIMATELY 22 MILLION PEOPLE.

SIGNIFICANT COMMERCIAL WORK WAS PERFORMED DURING THE PERIOD OF THE SHOWS: CONTRACTS WORTH 12.5 BILLION RUBLES WERE CONCLUDED.

A total of 57 of the best Soviet exhibits have been conferred distinguished diplomas and gold medals at international fairs.

With the direct organizational participation of the Chamber of Commerce and Industry, 188 exhibition measures, including 16 international exhibits, have been held on our country's territory. Three of them were large-scale branch ones -- "Inlegmash", "Elektro", and "Khimiya". The "Kardiologiya" exhibition, which was organized in connection with the 9th World Congress of Cardiologists that was held in Moscow for the first time, was also extremely impressive. More than 2.1 million people have visited exhibitions in the USSR. A total of 1,100 lectures, which were heard by approximately 70,000 specialists, were presented during the scientific and technical symposiums, which accompanied the international reviews, and also during the individual informational exhibition symposiums.

THE OVERALL TOTAL OF THE BUSINESS DEALS, WHICH WERE CONCLUDED DURING LAST YEAR'S EXHIBITIONS IN THE USSR BETWEEN SOVIET FOREIGN TRADE ORGANIZATIONS AND FOREIGN PARTICIPANTS, REACHED 4.2 BILLION RUBLES.

Almost 6,000 firms and organizations from 32 countries, including 26 European countries, three Asian and Oceania countries and three American, participated in exhibitions on USSR territory.

Exhibition measures were carried out in 23 cities, including 82 measures in Moscow and 160 in other cities.

The work of examining goods is being done by approximately 350 bureaus and groups of experts functioning in 283 cities, ports and border stations of the Soviet Union.

Last year, 1,602,000 examinations were conducted -- 5.4 percent more than in 1981. The cost of the goods inspected, including raw material, equipment and consumer goods, reached 46 billion rubles, including almost 40.6 billion rubles of imported goods. The proportion of inspected imported equipment in relation to all inspected goods was 5.1 percent.

Goods worth 1.329 billion rubles, including 689 million rubles of imported goods, were rejected and lowered in quality last year as a result of the work of the chamber's experts.

The Chamber of Commerce and Industry regularly informs foreign trade associations, USSR trade delegations and the chamber's delegations abroad about cases of detected violations.

The work of monitoring the quality of native goods, which are delivered for export, continues to be expanded. Foreign firms and organizations are more and more frequently addressing requests for assistance in monitoring goods to the USSR Chamber of Commerce and Industry. In 1982, the chamber carried out this type of commission from 54 firms and organizations in 22 countries.

A total of 375 cases were examined within the framework of the Foreign Trade Arbitration Commission (VTAK) and the Maritime Arbitration Commission (MAK). The total amount of the claims in these cases was 22.4 million rubles. The amount of accident claims in cases, examined by the Bureau of Adjustors, was 3.1 million rubles.

The work on the legal protection of inventions, industrial models and trademarks of Soviet organizations abroad and of foreign ones in the USSR was improved.

MORE THAN 2,000 PATENTS FOR SOVIET INVENTIONS WERE OBTAINED DURING 1982 IN 35 COUNTRIES.

More than 2,500 patents and more than 500 certificates for trademarks were issued to foreign firms. Applications to obtain protected documents arrived from 45 countries.

The USSR Chamber of Commerce and Industry continued its work of detecting and preventing violations of the rights of Soviet organizations by foreign firms.

Collections of materials on patent and license questions were published.

The work of the patent and license services in a number of republic chambers and departments for providing assistance to enterprises and organizations was made more active. Sections for protecting industrial property operated in many republic chambers and departments.

The Soviet national group of the International Association for the Protection of Industrial Property (AIPPI), which was created in the USSR Chamber of Commerce and Industry, has successfully operated for more than 15 years. A plenary session of the AIPPI ispolkom, which was held in a socialist country for the first time, was conducted last year in the Moscow international trade center. Representatives from 35 countries participated in it. Despite the complicated international situation and the obstructionist policy of the U. S. national group, the overwhelming majority of the ispolkom's members participated in the session. The position of the American side was condemned by the association's leadership.

The translating of foreign trade and scientific and technical literature and documentation occupies a significant place in the chamber's work. Important and crucial orders for installations in Libya, India, Nigeria, Guinea,, Argentina, Mozambique, Ethiopia, and Iran, which are being built with the Soviet Union's help, were carried out by the translation service. Translations of the technical documentation for imported equipment for many of the country's industrial projects, including those connected with the implementation of the USSR Food Program, were also done.

About 100 titles of works with a volume of up to 196 author's sheets and with a total circulation of more than 200,000 copies were published within the framework of the chamber's informational activity. On order of the Chamber of Commerce and Industry, 12 documentary films were made for showing in movie houses and on stand mountings. The films on the 60th anniversary of the formation of the USSR -- "An Unbreakable Union" and "To New Frontiers", etc. -- were popular among exhibition visitors. A total of 187 automatic stand radio programs were prepared by the chamber for Soviet pavillions.

An extensive program of measures is being carried out by the chamber during the current year. As Ye. P. Pitovranov, the chairman of the USSR Chamber of Commerce and Industry Presidium, reported during a press conference, our country is participating this year in 23 international exhibitions and fairs and is conducting three trade and industry exhibitions. A total of 19 international exhibitions, including four large branch ones, 14 specialized ones and one exhibition of CEMA member countries, are being held in the Soviet Union. The active participation of other states in the international exhibitions, which are being organized by the USSR, convincingly testifies to the interest of many of the world's countries in the further development of trade and economic ties with the Soviet Union.

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USSR WORLD TRADE

FOREIGN TRADE EFFECTIVENESS ANALYZED

Moscow VESTNIK STATISTIKI in Russian No 6, Jun 83 pp 43-49

[Article by V. Sel'tsovskiy, deputy chief of the Department of Statistics of the Economic Planning Main Administration of the USSR Ministry of Foreign Trade: "The Improvement of the Analysis of the Effectiveness of USSR Foreign Trade"]

[Text] The 11th Five-Year Plan should become a new stage of the significant and comprehensive development of the foreign economic relations of our country, which are an effective means of accomplishing both political and economic tasks.

In the overall set of USSR foreign economic relations foreign trade holds a leading place, since all the forms of foreign economic relations and scientific and technical cooperation are realized primarily by means of exports and imports. Never has the role of USSR foreign trade been so great as at the present stage. The foreign trade turnover of the USSR increased from 2.9 billion rubles in 1950 to 119.6 billion rubles in 1982, that is, by 41-fold. In 1982 the daily foreign trade turnover of our country was 1.8-fold greater than during all of 1921 (181 million rubles), which V. I. Lenin called the first year "in the matter of the trade turnover with foreign countries...."¹ Whereas in 1950 the USSR had trade relations with 44 countries of the world, in 1982 it had them with 143.

USSR foreign trade developed especially successfully during the 9th and 10th Five-Year Plans. The foreign trade turnover of the USSR in 1980 as compared with 1970 increased by 4.3-fold. Its average annual growth rate during the past decade (1971-1980) came to 15.6 percent (in 1951-1960 and 1961-1970 it came respectively to 13.2 and 8.2 percent).

USSR foreign trade is developing dynamically during the 11th Five-Year Plan. In 1981-1982 the foreign trade turnover of the USSR increased on the average in a year by 12.7 percent. It should be emphasized that the increase of prices on the world market, and first of all for fuel, energy and raw material goods, substantially influenced its increase. However, even without allowance made for this influence the increase of the foreign trade turnover of the USSR during the years of the 9th and 10th Five-Year Plans is characterized by a high rate. Thus, during 1971-1975 it increased due to the increase of the physical volume of USSR foreign trade (in constant prices) annually on the average by 7.7 percent (2 billion rubles). During

1. V. I. Lenin, "Poln. sobr. soch." [Complete Works], Vol 44, p 302.

1976-1980 its average annual growth rate came to 13.2 percent (8.7 billion rubles), including as a result of the increase of the physical volume--5.3 percent (3 billion rubles). It is necessary to note that the absolute increase of the foreign trade turnover of the USSR during the 10th Five-Year Plan due to the increase of the physical volume of USSR foreign trade alone (15 billion rubles) is equal to nearly the entire increase of its commodity turnover during 1957-1970.

As is known, the results of the determination of the increase of the volume of USSR foreign trade in constant (comparable) prices (the index of physical volume) in many ways depend on the adopted methodology of calculation (the choice of goods for the calculation, the chain or base method of calculation, the transition from chain indices to base indices and others). In recent years the method of determining the indices of USSR foreign trade,² in conformity with which the more accurate identification of the influence of individual factors, particularly the change of prices, on the overall increase of the commodity turnover is ensured, has been improved. This found reflection in the Methodology of the Calculation of the Physical Volume and Prices of USSR Foreign Trade, which was approved by the USSR Central Statistical Administration and the USSR Ministry of Foreign Trade in May 1982.

Under the conditions of the considerable increase of the scale and the broadening of the geography of USSR foreign trade the task of the further increase of its effectiveness is acquiring particular urgency. At the 26th CPSU Congress it was emphasized: "Planning and economic organs are called upon to work constantly on the increase of the effectiveness of foreign economic relations in the interests of the economy of labor and material resources...."³ The improvement of the economic statistical analysis of the effectiveness of foreign trade is of great importance in the accomplishment of this task.

The most important indicator of the development of foreign trade is its commodity structure, that is, the proportion of individual commodity groups in exports and imports. Such factors as historically established economic relations, the national and international expenditures on the production of a unit of output, the supply with natural and manpower resources, the peculiarities of the scientific and technical revolution and others influence the formation of the structure of foreign trade.

Socialist economic integration, which makes it possible to combine fundamentally the economic interests of each of these countries with the interests of the entire socialist system as a whole, has a great influence on the structure of the exports and imports of the socialist countries.

The structure of USSR foreign trade reflects the achievements of our country in economic construction, science and technology. At the same time it is an indicator of the effective development of foreign trade exchange. The improvement of the structure of exports on the basis of the increase in them of the proportion of goods with a higher and higher degree of industrial processing, and first of all the products of machine building, is one of the main means of the further increase

2. The author has written in detail about this (VNESHNYAYA TORGOVLYA, No 2, 1979, pp 42-47; No 3, 1981, pp 32-36).

3. "Materialy XXVI s"yezda KPSS" [Materials of the 26th CPSU Congress], Moscow, Politizdat, 1981, p 123.

of the effectiveness of USSR foreign trade. The need "to improve the structure of exports, first of all by the increase of the production and delivery of the products of machine building and other finished items..."⁴ is indicated in the Basic Directions of USSR Economic and Social Development for 1981-1985 and the Period to 1990. That is why the determination and analysis of the structure of USSR foreign trade are of great importance for the identification of the trends in this important sector of the national economy.

When analyzing it, it must be borne in mind that in the 1970's the capitalist economy developed under the conditions of the sharp aggravation of currency, financial, raw material, energy and food problems and the strong increase of inflation. All this increased significantly the destructive force of the world economic crisis of the mid-1970's and led to the unprecedentedly sharp increase of world prices, especially for fuel and energy products.

The inflationary processes and crisis of the capitalist economy also have, of course, an influence on the increase of prices in USSR foreign trade. Moreover, the prices for individual commodity groups increased extremely nonuniformly: both goods, the world prices for which during the period in question increased by more than 15-fold, and goods, the prices for which increased negligibly, take up a large proportion in USSR foreign trade.

If the structure of USSR foreign trade is determined without regard for the influence of the change of prices (in current prices), this will distort the trends of USSR foreign trade. In economic literature, as well as in practical work the structure of USSR foreign trade is calculated only in current prices. This does not make it possible to calculate the real dynamics of the structure of USSR foreign trade and, consequently, its actual effectiveness and gives an incorrect idea of the export potentials of our country, which can do harm to the trade and economic relations of the Soviet Union. In order to eliminate the influence of prices on the ratio of the individual commodity groups in the total value of exports and imports, it is necessary to determine the proportion of individual goods, commodity groups and sections not only in current prices, but also in constant (comparable) prices. This will make it possible to make considerably more thorough the economic and statistical analysis of the development of USSR foreign trade and to determine the real dynamics of its structure.

Thus, if the changes of the structure of exports are analyzed on the basis of current prices, the proportion of machines, equipment and means of transportation in the total value of USSR exports decreased from 21.5 percent in 1970 to 15.8 percent in 1980, while when analyzing its structure on the basis of constant prices it turns out that it increased by 4.8 percent (26.3 percent in 1980 as against 21.5 percent in 1970) (see Table 1).

Using the indicated method for the analysis of other commodity groups and sections, it is possible to draw the conclusion that the proportion of chemical products, fertilizers and rubber in USSR exports in current prices decreased from 3.5 percent in 1970 to 3.3 percent in 1980, the proportion of these goods in constant prices during the period in question increased from 3.5 to 4.4 percent.

4. "Materialy XXVI s"yezda KPSS," p 197.

Table 1

Structure of USSR Exports and Imports in 1970-1980, Percent
(1970 = 100)

	Exports					Imports				
	1975		1980			1975		1980		
	1970	in current prices	in constant prices	in current prices	in constant prices	1970	in current prices	in constant prices	in current prices	in constant prices
Machines, equipment and means of transportation.	21.5	18.7	24.7	15.8	26.3	35.6	33.9	36.6	33.9	37.2
Fuel and electric power	15.6	31.4	17.6	46.9	18.4	2.0	3.9	2.0	3.0	1.0
Ores and concentrates, metals and items made from them	19.6	14.3	15.9	8.8	13.4	9.6	11.6	10.3	10.8	10.8
Chemical products, fertilizers, rubber .	3.5	3.5	3.8	3.3	4.4	5.7	4.7	5.0	5.3	5.4
Lumber and pulp and paper items	6.5	5.7	5.5	4.1	4.1	2.1	2.2	1.7	2.0	1.8
Textile raw materials and semimanufactures.	3.4	2.9	3.5	1.9	3.0	4.8	2.4	2.3	2.2	1.9
Food flavoring goods and raw materials for their production.	8.4	4.8	5.0	1.9	2.7	15.8	23.0	18.8	24.2	20.9
Industrial consumer goods	2.7	3.1	4.2	2.5	4.0	18.3	12.9	15.7	12.1	15.3

A similar regularity is observed when determining the proportion of industrial consumer goods in USSR exports. The proportion of fuel, energy and raw material goods (excluding food raw materials) in USSR exports in current prices in connection with the sharp increase of prices for some of them increased significantly and in 1980 came to 61.7 percent, while in 1970 it came to 45.1 percent. With the exclusion of the influence of the increase of prices (in constant prices) the proportion of these commodity groups during the same period decreased from 45.1 to 38.9 percent.

The use of the method of analyzing the structure of exports in constant (comparable) prices makes it possible to identify the progressive trends of USSR foreign trade during 1971-1980--the increase of the proportion of finished products, and first of all the products of machine building and chemical products, with a decrease of the proportion of raw material goods. At the same time the analysis of the structure of exports in current prices does not afford such an opportunity.

It is necessary to bear in mind that the proportion of a specific commodity group in the total exports or imports decreases over a specific period in case of the slowing of the growth rate of the value of exports or imports (the value index) of the given group as compared with the other commodity groups taken together and increases in the case of a leading growth rate. The total value of exports and imports changes under the influence of the increase or decrease of the physical volume of foreign trade and the change of prices. The proportion of machines, equipment and means of transportation in USSR exports during 1971-1980 when calculating their value in current prices decreased as a result of the increase at a faster rate of the prices for the other commodity groups being exported by the USSR, especially raw materials and fuel. Whereas the prices for all the goods exported by the USSR during this period increased on the average by 2.6-fold, the prices for machines and equipment increased by only 1.6-fold. In conformity with the indicated ratio of prices the proportion of machines, equipment and means of transportation in 1980 as compared with 1970 should have decreased by 10.5 percent. However, during the past decade the leading growth rate of the physical volume of exports of the goods of this section (197 percent) as compared with the growth rate of the physical volume of all exports (162 percent) would have increased (given constant prices) the proportion of machines, equipment and means of transportation in USSR exports in 1980 as compared with 1970 by 4.8 percent. As a result of the influence of the two noted factors the proportion of machines, equipment and means of transportation in USSR exports in 1980 as compared with 1970 decreased by 5.7 percent $(-10.5 + 4.8)$ and came to 15.8 percent.

It is possible to analyze in much the same way the influence of the dynamics of prices and the physical volume on the proportion of other commodity sections and groups in the exports and imports.

The trends identified for 1971-1980 when analyzing the structure of USSR imports in current and constant prices, in contrast to the trends identified when analyzing the structure of exports, are not so contradictory, since in the imports the proportion of raw material goods, particularly fuel and electric power, is considerably less than in the exports. Therefore, the sharp increase of the prices for these goods during the period being analyzed did not have a decisive influence on the change of the structure of imports.

The noted trends of the change of the structure of USSR foreign trade were also characteristic of 1981. Thus, if the structure of USSR foreign trade is analyzed in current prices, the proportion of machines, equipment and means of transportation in the total value of USSR exports decreased from 21.5 percent in 1970 to 13.7 percent in 1981. In turn, a similar analysis of the structure in constant prices makes it possible to draw a different conclusion: the proportion of the goods of this group in 1981 as compared with 1970 increased and came to 24.3 percent. In 1981 the proportion of chemical products, fertilizers and rubber in USSR exports in current prices came to 3.5 percent and in constant prices--4.4 percent. As to fuel, energy and raw material goods, their proportion in 1981 in current prices came to 63.5 percent, in constant prices--36.9 percent.

The foregoing confirms the needs for the inclusion in the system of indicators of the effectiveness of USSR foreign trade of the indicators of the structure of exports and imports in constant prices, for which at present every opportunity exists.

The improvement of the analysis of such most important indicators of the effectiveness of USSR foreign trade as the currency (budgetary) effectiveness of exports and imports is also on the agenda. As is known, these indicators are determined from the ratio of the results and the expenditures.

The result of exports is the current receipts from it, the expenditures are the expenditures on the production of export goods. The result of imports is the saving of expenditures of national labor in the case of imports of goods instead of their domestic production.

The currency effectiveness of exports is:

$$\mathcal{E}_\text{Э} = \frac{B_\text{Э}}{z_\text{Э}} ,$$

where $B_\text{Э}$ is the current receipts from exports (the international value); $z_\text{Э}$ is the expenditures of labor on the production of an export commodity (the national value).

The currency effectiveness of imports is:

$$\mathcal{E}_\text{И} = \frac{A_\text{И}}{z_\text{И}} ,$$

where $A_\text{И}$ is the potential expenditures of labor on the domestic production of an import commodity (the national value); $z_\text{И}$ is the expenditures of currency on imports (the international value).

In the USSR Ministry of Foreign Trade when calculating the indicators of the effectiveness of foreign trade the wholesale factory prices of industry (excluding the turnover tax), which include the direct overhead, are used as the expenditures of labor on production.

The level of foreign trade (contract) prices, as well as the change of the structure of trade and the expenditures of labor on the production of goods (the national expenditures) influence to a considerable extent the values of the currency effectiveness of exports and imports. However, in accordance with the existing method of analyzing the indicators of effectiveness (in conformity with the Method of Determining the Budgetary Effectiveness of USSR Foreign Trade, which was approved on 30 April 1980 by the USSR State Planning Committee and the USSR Central Statistical Administration), the influence of the indicated factors on them, as a rule, is not taken into account. The factor analysis of the consolidated indicators of the effectiveness is of great importance for the identification of the reserves of its increase, which, undoubtedly, will promote the increase of the scientific level of the planning of foreign trade.

Let us illustrate the method of the factor analysis of the effectiveness by a hypothetical example which characterizes the export of three commodities from the USSR (see Table 2).

Table 2

Calculation of the Indicators of the Currency Effectiveness of Exports
(hypothetical data)

Description of commodity	Quantity, tens	Average price of 1 ton, rubles	Currency re- ceipts, thou- sands of ru- bles	Expenditures of labor on production of		Indicators of effectiveness						
				1 ton, rubles	total, thou- sands of rubles							
	q ₀	q ₁	p ₀	p ₁	z ₀	z ₁	z ₀ q ₀	z ₁ q ₁	p ₀ q ₀ /z ₀ q ₀	p ₁ q ₁ /z ₁ q ₁		
	preceding period	current period	preceding period	current period	preceding period	current period	preceding period	current period	preceding period	current period		
A.	11000	10300	159.4	167.1	1754	1721	192.1	211.0	2113	2173	83.0	79.0
B.	45300	46600	49.7	60.8	2253	2834	26.9	26.9	1218	1253	185.0	226.0
C.	1350	1400	1384.4	1423.0	1869	1993	1247.0	1247.0	1684	1746	111.0	114.0
Total. . . .			5876	6548			5015	5172			117.2	126.6

Comparing with respect to the cited goods the average indicator of the effectiveness during the current period with the analogous indicator during the preceding period, we determine the index of change of the effectiveness:

$$I_{\text{изм. эф}} = \frac{126.6}{117.2} \cdot 100 = 108 \text{ percent.}$$

Consequently, the effectiveness of the export of commodities A, B and C during the current period as compared with the preceding period increased by 8 percent.

What basic factors influenced this increase?

THE CHANGE OF THE LEVEL OF FOREIGN TRADE PRICES [in italics]. It is determined according to the formula of the index of average prices with "variable weights":

$$I_{\text{ср. цен}} = \frac{\sum p_1 q_1}{\sum p_0 q_1} = \frac{1721+2834 \cdot 1993}{159.4 \cdot 10300+49.7 \cdot 46600+1384.4 \cdot 1400} = \frac{9548}{5896} = 1.111 \text{ or } 111.1 \text{ percent.}$$

It should be noted that it is possible to measure most accurately the influence of the change of prices on the dynamics of the indicators of the effectiveness only in the case of calculation in accordance with the more detailed products list, that is, in accordance with the commodity subitems which have the seven-digit code of the Unified Commodity List of Foreign Trade. When calculating in accordance with the commodity items and especially according to the commodity subgroups (the three-digit figures of the Unified Commodity List of Foreign Trade) the structural changes within the items and groups can significantly distort the actual increase of prices.

THE CHANGE OF THE LEVEL OF EXPENDITURES OF LABOR ON PRODUCTION [in italics].

$$I_{\text{з. тп}} = \frac{\sum z_1 q_1}{\sum z_0 q_1},$$

where z_0 and z_1 are the expenditures of labor on the production of the commodity during the base and accounting (current) periods.

$$I_{\text{з. тп}} = \frac{2173+1253+1746}{192.1 \cdot 10300+26.9 \cdot 46600+1247 \cdot 1400} = \frac{5172}{4978} = 1.039 \text{ or } 103.9 \text{ percent.}$$

Thus, as a result of the increase of foreign trade prices the effectiveness of the export of the three commodities increased by 11.1 percent, in turn the increase of the expenditures of labor on their production declined by 3.8 percent ($(1/1.039) \cdot 100 = 96.2$ percent), since in contrast to the foreign trade prices the expenditures of labor on production have an inversely proportionate influence on the indicators of effectiveness.

In connection with the different effectiveness of the export of the commodities cited in Table 2, the change of the proportion of each commodity in the total value of exports during the current period as compared with the preceding period, that is, the changes in the structure of exports, has a direct influence on its average indicators.

From the data of Table 2 it is evident that during the current period changes occurred in the structure of exports as a result of a slight decrease of the

proportion of commodity A, the effectiveness of the export of which (79 percent) is less than the effectiveness of the export of the other commodities. At the same time the proportion of highly effective commodity C in the exports increased slightly.

Undoubtedly, the decrease of the export of an ineffective commodity and the increase of a highly effective one increased the average level of the effectiveness of the export of the three commodities during the current period. This influence can be specified quantitatively in accordance with the formula of the structural changes, in which the effectiveness of exports during the preceding period, which is weighted with respect to the exports during the current period, is compared with the effectiveness of exports during the preceding period:

$$I_{\text{crp}} = \frac{\sum p_0 q_1}{\sum z_0 q_1} : \frac{\sum p_0 q_0}{\sum z_0 q_0} = \frac{5896}{4978} : \frac{5876}{5015} = 1.1844 : 1.1717 = 1.011 \text{ or } 101.1 \text{ percent.}$$

As a result of the CHANGE OF THE STRUCTURE OF EXPORTS [in italics] the average indicator of effectiveness during the current period increased by 1.1 percent.

The change of the average level is the first form of the manifestation of the influence of the structural factor.

The indices, which have been calculated for the determination of the quantitative influence of individual factors on the overall indicator of efficiency, are interconnected. Having multiplied the indices of the foreign trade prices, the expenditures of labor on production and the structural changes, we will obtain the overall index of change of the effectiveness: $1.111 \cdot 0.962 \cdot 1.011 = 1.08$ or 108 percent.

It should be borne in mind that the changes in the geographic structure (the index of the geographic structure), that is, the changes in the breakdown of exports (imports) of goods by countries, which occurred during the period under review as compared with the preceding period,⁵ as well as the second form of the manifestation of the influence of the structural factor--the change of the average growth rate--have an influence on the index of average prices, which is equal to 111.1 percent.

If when calculating the consolidated index of the average prices for a number of commodities during the period under review as compared with the base period the proportion of the commodities, the prices for which during the period being analyzed increased significantly (have a higher index), increases, only as a result of this will the consolidated index of the average prices be greater. On the other hand, in case of the decrease of the proportion of such commodities the indicated index decreases. Consequently, the determination of the structural factor in its first form, which influences the average level (the changes of the ratio of commodities with a different effectiveness, the geographic structure), will be inadequate for the calculation of the influence on the consolidated index of average prices (the growth rate of prices) of the change of the proportion of the commodities with a different value of the individual price indices.

5. The method of determining the influence of structural changes on the dynamics of the indicators of foreign trade is set forth in greater detail by the author in the journal VNESHNYAYA TORGOVLYA, No 3, 1981, pp 32-35.

This delimitation of the two forms of the manifestation of the influence of structural changes is not made in the economic literature on foreign trade. Usually they are called the index of structure. However, the two processes--the influence on the average price and on the average growth rate--have a different economic content and should be analyzed in different ways. Incidentally, when determining the influence on the average level structural changes are meant, while when determining the influence on the average growth rate assortmental changes are meant. The influence of structural changes on the index of average prices and the indicators of the effectiveness stems from the change of the proportion of a similar commodity with a low or high price (when calculating according to a consolidated, nondetailed list of commodities), the proportion of individual countries in the trade in these commodities and the proportion of commodities with a high or low effectiveness. The influence of assortmental changes is manifested through the change of the ratio of the commodities, the prices for which have been increased or decreased more or less significantly (with a high or low index of the change of individual prices). This influence of the assortmental changes on the consolidated indicators of individual commodity groups and sections of USSR foreign trade can be very significant.

The assortmental changes can also have an influence in a different direction--in the direction of the increase of the indicators of the currency effectiveness of foreign trade. Therefore the analysis of the structural changes in USSR foreign trade is of great not only theoretical, but also practical importance.

With allowance made for the foregoing, the overall system of the interdependence of the individual factors influencing the indicators of the currency effectiveness of foreign trade will be the following:

Index of average foreign trade prices in "pure form" (without influence of structural factor)	X	Index of assortmental changes	X	Index of geographic structure	X	Index which is the inverse of the index of expenditures on production	X	Index of commodity structure	=
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= Index of change of the effectiveness.

The identification of the degree of influence of these factors on the indicators of the effectiveness of foreign trade makes it possible to improve significantly the analysis of the latter.

An important direction of the further improvement of the analysis of foreign trade, as was already noted, is also the expansion of the set of economic and statistical indicators of its effectiveness. The index of "the conditions of trade," which is the ratio of the index of the average prices of exports to the index of the average prices of imports, can undoubtedly be grouped with such indicators. Under the conditions of the sharp and nonuniform increase of the prices for individual commodities on the world market the elaboration of this indicator is especially important for the establishment of the basic proportions in the ratio of export and import prices in USSR foreign trade.

The index of "the conditions of trade," which is calculated for the entire commodity turnover, depends, first, on the list of commodities and, second, on the level of prices in the foreign trade with individual countries and groups of countries. Therefore, for the calculation of the levels of prices in the foreign trade both with individual groups of countries and with individual countries along with the determination of the indices of "the conditions of trade" it is expedient to calculate the indices of the level of export and import prices (the price ratios).

It is well known that the USSR trades with the socialist countries at preferential prices. This is explained by the peculiarities of pricing on the world socialist market: when setting prices in the reciprocal trade of the CEMA member countries the prices of the world market for the corresponding commodities are freed from the harmful influence of the business climate factors of the capitalist market. Therefore, for the analysis of the indices of "the conditions of trade" and other indicators of USSR foreign trade it is very important to calculate the price ratios of USSR trade with the CEMA member countries with respect to trade with the capitalist countries.

The index of the level of prices for export commodities is:

$$I_{\text{Э}} = \frac{\sum p_{\text{Э.с}} q_{\text{Э.с}}}{\sum p_{\text{Э.к}} q_{\text{Э.с}}} .$$

The index of the level of prices for import commodities is:

$$I_{\text{И}} = \frac{\sum p_{\text{И.с}} q_{\text{И.с}}}{\sum p_{\text{И.к}} q_{\text{И.с}}} ,$$

where $p_{\text{Э.с}}$ and $p_{\text{И.с}}$ are the average price of a unit of respectively the export and import commodities in trade with the CEMA member countries; $q_{\text{Э.с}}$ and $q_{\text{И.с}}$ are the amount of commodities, which are exported to the CEMA member countries and are imported from these countries; $p_{\text{Э.к}}$ and $p_{\text{И.к}}$ are the average price of a unit of similar export and import commodities in the group of capitalist countries.

The ratio of the obtained indicators is the index of the price ratios in the commodity turnover with the CEMA member countries:

$$I_{\text{П}} = \frac{I_{\text{Э}}}{I_{\text{И}}} .$$

In our opinion, it is especially advisable to determine the price ratios for the commodities, the prices for which have increase significantly on the world market, that is, for fuel, energy and raw material goods.

It is necessary to use the indices of "the conditions of trade" and additionally the calculated indices of the price ratios in the analysis of the effectiveness of the indicators of foreign trade. Unfortunately, so far they have not yet found proper practical use in the economic analysis of the results of USSR foreign trade.

The constant improvement of the methods of the economic and statistical analysis of the indicators of the effectiveness of USSR foreign trade is one of the important tasks, the accomplishment of which will undoubtedly promote the increase of the effectiveness of the management of foreign trade.

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CSO: 1825/62

USSR WORLD TRADE

USSR FOREIGN TRADE BANK'S ACTIVITY FOR 1982

Moscow IZVESTIYA in Russian 19 Jul 83 p 4

[Article]

[Text] A regular general meeting of stockholders of the USSR Foreign Trade Bank examined questions pertaining to the bank's activity.

The meeting ratified the bank's annual report for 1982, its balance as of 1 January 1983, the distribution of profits for the year covered by the report and the report of the auditing commission.

The meeting of stockholders noted that in the past year, the USSR Foreign Trade Bank had actively promoted the successful fulfillment of targets of the 11th Five-Year Plan by implementing decisions of the 26th CPSU Congress, of the May (1982) and November (1982) Plenums of the CPSU Central Committee, and other decisions of the party and government on the development of foreign economic relations.

In 1982 the USSR Foreign Trade Bank operated under increasingly complex conditions associated with increased pressure exerted by the American administration on its partners in the aggressive NATO bloc with the aim of reducing trade and economic cooperation with the USSR and other countries in the socialist community, with crisis-related upheavals in the Western economy and with the extremely unstable situation in the world commodity and currency markets. The volume of Soviet foreign trade has continued to grow steadily despite the indicated circumstances. The USSR Foreign Trade Bank's credit, foreign exchange and accounting transactions with foreign banks continued to grow on the basis of the growth of foreign trade. The USSR Foreign Trade Bank corresponds with 1812 foreign banks located in most countries of the world.

The USSR Foreign Trade Bank's balance on 1 January 1983 was 54.5 billion rubles, i. e., increased by 9.7 percent in 1982. During the same period, there was also an increase in the volume of credit granted by the bank for the development of foreign trade operations.

The bank's joint stock capital and reserve capital was 1185 million rubles on 1 January 1983.

At the same time the stockholders' meeting was taking place, a session of the Council of the USSR Foreign Trade Bank examined future prospects for the development of its operations and other questions regarding the bank's activity.

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CSO: 1825/73

ROLE OF TRANSPORTATION IN IMPROVING CEMA ECONOMIC STRUCTURES

Moscow IZVESTIYA AKADEMII NAUK SSSR: SERIYA EKONOMICHESKAYA in Russian No 1, Jan-Feb 83 pp 103-116

[Article by V. A. Shanina: "The Transportation Support of Cooperation in the Improvement of the Economic Structures of the CEMA Countries"]

[Text] In the article the problems of the transportation support of the improvement of the sectorial and territorial structures of the national economy of the CEMA countries in the process of the intensification of socialist economic integration are examined. The basic directions of cooperation in the development of the transportation complex on the basis of the acceleration of scientific and technical progress and the intensification of production in this sphere of the national economy of the countries of the community are characterized.

Transportation is playing an extremely important role in the solution of the problems of the improvement of the national economic structures of the CEMA countries under the conditions of socialist economic integration. Supporting intrastate and foreign economic ties, transportation actively influences the formation of the optimum sectorial and territorial structures and has a serious influence on the rate, proportions and balance of the development of the economies and the increase of the efficiency of social production of the CEMA countries.

The tasks on the further intensification of social production and the acceleration of structural changes in the economy, which were posed by the 26th CPSU Congress and the congresses of the other Communist and Workers' Parties of the CEMA countries, have a most direct bearing on transportation and are making new, increased demands on it. The importance of transportation in the accomplishment of these tasks is increasing substantially on the paths of the further intensification of the economic integration of the CEMA countries and the implementation of the long-term programs of cooperation in the most important sectors of physical production.

At the 36th meeting of the CEMA Session (June 1982) N. A. Tikhonov noted: "When coordinating the plans for the next 5-year period we should not only ensure the fulfillment of the measures envisaged in the programs, but also go considerably farther along the path of the improvement and mutual adaptation of the national economic structures, the development of production cooperation" [2]. Highly efficient

transportation is a necessary condition of the assurance of progressive changes in the national economy in the process of implementing the long-term structural policy of the countries of the socialist community.

The improvement of national economic structures in the process of the division of labor and integration, the rationalization of the production and consumption of the products of the fuel, energy and raw materials sectors, international specialization and cooperation govern the progressive structural changes in the foreign economic and international transportation ties of the socialist countries. The interstate specialization and cooperation of production as one of the highest forms of the international socialist division of labor and a most important direction of scientific and technical progress are directly connected with the development and improvement of foreign trade barter and transportation and economic ties under the conditions of integration. O. T. Bogomolov notes: "The development of the international market can occur in breadth, if new economic territories are involved in the sphere of exchange or new national economic complexes become participants in the exchange, and in depth, which is manifested in the expansion of exchange by means of the intensification of the specialization and cooperation of production" [3].

With the intensification of integration processes the transportation and economic ties of the CEMA countries reflect to a greater and greater extent their long-term, broad and stable economic interrelations in various spheres of physical production: in the fuel, energy and raw materials sectors, the processing industry, agriculture, in the forming international production systems,¹ between specific associations and enterprises.

Transportation as one of the most important means of the realization of the international socialist division of labor and the foreign economic ties of the CEMA countries is directly involved in and has an influence on the processes of the convergence, mutual adaptation and optimization of the national economic structures in the international economic complex of these countries, the formation of fundamental and stable cooperative ties in the leading sectors of production, the expansion and strengthening of the international market [6].

The analysis of the transportation and economic ties of the CEMA countries, which have formed in the past 20 years, and the factors influencing their formation makes it possible to trace a number of trends, the consideration of which is of great importance in the scientific and practical solution of the problems of the development of transportation both under the conditions of the rearrangement of the national economic structures, which is presently taking place, and for the future.

The changes in the development of the transportation and economic ties between the CEMA countries, while reflecting the changes in their national economic structures and foreign trade commodity turnover, occur primarily under the influence of:

the change of the volume of international traffic;

the dynamic and nonuniform increase in their structure of the output of the different sectors of the national economy, the broad and intensive specialization and cooperation of production;

the changes in the location of production, particularly the transfer of a number of sectors of USSR industry, first of all the fuel and raw material sectors, to the eastern regions of the country;

the change of the geography of foreign economic relations, which stemmed from the entrance of new states (the Republic of Cuba, the SRV) into CEMA, the occurring rearrangement of their economic structures.

The constant increase of the extent of the international transportation and economic ties of the countries of the socialist community is occurring at the same time as the significant increase of the traffic within the framework of the national economies.²

In 1980 the volume of freight transportation by all types of transport of the CEMA countries as a whole came to 15.4 billion tons, the freight turnover came to 6,909,000,000,000 ton-kilometers, having increased as compared with 1960 respectively by 2.8- and 3.3-fold³ [10]. The traffic between the CEMA countries during this period increased by more than fourfold. During the period of 1976-1980 the increase of the reciprocal traffic of the countries of the community came to about 20 percent [11; 12, No 4, p 13]. During the further intensification of economic integration and the implementation of long-term goal programs of cooperation and bilateral programs on the specialization and cooperation of production the transportation and economic ties between the CEMA countries will increase.

The Soviet Union occupies the dominant place in the system of these ties. It accounts for more than 75 percent of the total and reciprocal traffic of the CEMA countries. The direction of the ties of the USSR with the European CEMA countries (east-west) is the largest in its scale.

The international traffic of the USSR with respect to the support of ties with the CEMA countries is developing at a rate which leads the dynamics of this indicator in the cooperation with the other states of the world (Table 1).

Table 1

Indices of USSR Foreign Trade Traffic (1970 = 100)^{*}

	1960	1975	1980
USSR foreign trade traffic, total.	40.3	138	174
including to CEMA countries.	35.0	143	188
to developed capitalist and developing states.	46.8	129	143

^{*} Calculated according to VNESHNYAYA TORGOVLYA SSSR (for the corresponding years).

The utmost development of the economic and, consequently, the transportation ties with the socialist countries is also envisaged in the future in the Basic Directions of USSR Economic and Social Development for 1981-1985 and the Period to 1990. In the national economic plans of the CEMA countries for this period cooperation with the Soviet Union is regarded as the decisive factor of the development of their international economic ties.

Under the influence of the changes in the national economic structures under the conditions of the development and intensification of socialist economic integration appreciable changes occurred in the breakdown of the foreign trade traffic of the Soviet Union by CEMA countries. Thus, during the 1960's and 1970's in the export traffic of the USSR the share of Bulgaria increased significantly (from 3.8 percent in 1960 to 15.9 percent in 1980), the proportion of Cuba (from 6.5 percent in 1975 to 7.2 percent in 1980), Mongolia and Romania increased (calculated according to [13]). A high growth rate of general transportation ties (domestic and international) is also characteristic of these countries, which reflects the significant rate of development of their industrial production, the structural changes in their national economy under the conditions of integration and active involvement in the international socialist division of labor.⁴

The implementation of the measures of the long-term goal program of cooperation on the rapid development and increase of the efficiency of the economy (which is connected with the rearrangement of the sectorial structure of the economy) of the Republic of Cuba, Mongolia and the SRV will also promote in the future the increase of the foreign economic and transportation ties both with the Soviet Union and with the other CEMA countries. The ratio of the other CEMA countries in the foreign trade traffic of the USSR in the future, apparently, will not undergo fundamental changes.

Another important direction of the reciprocal trade ties of the CEMA countries, which is formed by the freight flows of the GDR, Poland-the CSSR and Hungary and further Bulgaria and Romania (north-south), formed in the process of the intensification of cooperation and the integration processes, as well as under the influence of the structural changes in the economy.

The analysis of the formed commodity structure of the traffic between the CEMA countries and the forecasting estimates in this area shows that the tendency for the proportion of fuel and raw material products in it to decrease has already been clearly revealed. The implementation of the strategy, which was agreed upon by the CEMA countries, of the solution of the fuel and energy problem and the raw materials problem within the framework of the long-term goal program of cooperation on the meeting of the economically sound needs for the basic types of energy, fuel and raw materials will promote the intensification of this trend. The implementation of the significant steps on the economical, efficient use of fuel, energy and raw material resources, which have been outlined in the countries, will contribute to this. The implementation of such measures was also envisaged in the national economic plans for 1981-1985.⁵ The need for the strengthening of the cooperation of the countries in the accomplishment of these important and urgent tasks was noted at the 36th meeting of the CEMA Session.

At the same time the structure of the traffic between the CEMA countries will still retain primarily a raw material nature. An overwhelming portion of the import needs of the countries of the community for the basic types of fuel, energy and raw material resources will be met, as before, by means of reciprocal deliveries, and first of all from the Soviet Union. In the future the USSR will remain the main supplier of fuel, energy and raw materials to the CEMA countries.

The integration projects within the framework of the Coordinated Plan of Multilateral Integration Measures on the territory of both the Soviet Union and the other

CEMA countries, which were put into operation during the period of 1976-1980 and are planned for construction during 1981-1985, will promote the development of the barter and reciprocal transportation of products of the fuel and raw material sectors of the countries of the socialist community.⁶

The progressive structural changes in the transportation and economic ties of the CEMA countries in the 1980's and subsequent years will be governed by the improvement of the intrasectorial structure of industry, the intensive expansion of the international specialization and cooperation of production and the development of the processing sectors and the corresponding foreign trade deliveries, which has been coordinated on this basis. The intensification of cooperation and integration in the sectors of the processing industry is contributing to the rapid development and the increase in the structure of the commodity turnover and traffic of the proportion of finished items: the products of machine building and the chemical industry, industrial consumer goods. The implementation of the long-term goal programs of cooperation in these sectors and the bilateral programs on the specialization and cooperation of production between the USSR and the European CEMA countries will also contribute to the further dynamic growth of the volumes of the foreign trade deliveries and transportation of finished products, first of all machines and equipment.⁷

The study of the structural changes in the transportation ties of the CEMA countries under the influence of the changes of the intrasectorial structure of industry, the rapid development of cooperation in its processing sectors and the international specialization and cooperation of production makes it possible to draw the following conclusions:

the progressive tendency for the proportion of the products of the sectors of the processing industry in the reciprocal deliveries to increase is appearing, which governs along with the quantitative increase of international traffic the substantial changes of its qualitative characteristics;

the substantial increase of the types and range of traffic of the products of the sectors of the processing industry, first of all machine building, is occurring;

the proportion of specialized products, parts and assemblies, large and heavy equipment for atomic engineering, the chemical, metallurgical and other sectors is increasing in the commodity structure of the transportation of machines and equipment;

in the process of the development of the international specialization and cooperation of production, especially in the case of their part-by-part and assembly-by-assembly forms, the intensity and branched nature of the transportation freight flows are increasing substantially.

The extensive participation of the CEMA countries in the measures of the long-term goal program of cooperation in the area of agriculture and the production of industrial consumer goods will also cause certain structural changes of their reciprocal ties in these sectors. The Food Program, which was adopted in the USSR, and the cooperation of the CEMA countries in the solution of the food problem will promote the development of the commodity turnover and the international transportation of the corresponding products, the efficient transportation support of which is acquiring extremely great importance.

The changes in the transportation and economic ties of the CEMA countries also stem from the territorial aspects of their development and the formation of territorial structures in the process of the intensification of cooperation and integration in the sectors of physical production.

The changes in the distribution of productive forces, the acceleration of the rate of the development of new regions and their natural resources, cooperation in their joint use, the formation of territorial production complexes--all this influences most directly the territorial changes of domestic and interstate economic and transportation ties. The distance of transportation traffic is increasing. The indicator of the average distance of transportation is tending to increase in the majority of CEMA countries. Thus, from 1960 to 1980 the increase of the average distance of transportation by railroads (domestic and international) came to: in Bulgaria--46 km, Hungary--49 km, the GDR--42 km, Cuba--13 km, Poland--48 km, the CSSR--6 km [10]. Significant territorial changes in the transportation and economic ties of the CEMA countries, and particularly in maritime transport, are occurring with the entry of Cuba and Vietnam into the Council for Mutual Economic Assistance.

This factor is of the greatest importance for the Soviet Union, taking into account the volume of international traffic, which it accounts for, and the further changes in the distribution of the productive forces, first of all of the fuel and raw material sectors, and the shift of the latter to the eastern and northern parts of the country. The average distance of transportation on USSR railroads, for example, exceeds by three- to fivefold the analogous indicator in the other CEMA countries, moreover, its magnitude in international traffic is 1.5- to 2-fold greater than in domestic traffic.

The increasing involvement of the eastern regions of the USSR in foreign economic ties is substantially aggravating the transportation problem. This process is accompanied by the additional development of the transportation infrastructure and large one-time and current expenditures. The specific capital investments in its creation in these regions are two- to threefold greater than on the average for the country. In the future the problem of transportation will also be complicated by the increase of the freight flows, primarily of the products of the fuel and energy sectors, from the eastern regions of the Soviet Union to the critical western regions. All this attests to the very difficult problems facing transportation in the accomplishment of the tasks of the improvement of the sectorial and territorial structures of the CEMA countries.

The effective transportation support of the CEMA countries under the conditions of economic integration is governed first of all by such factors as the level of development of the transportation infrastructure, the introduction in transportation of the achievements of scientific and technical progress and the scale of cooperation in this area.

The CEMA countries during the development of the national economy and mutual cooperation on the basis of the Comprehensive Program of Socialist Economic Integration achieved significant results in the formation of the transportation system. Major progressive changes also occurred in the transportation structure under the influence of scientific and technical progress and the changes in the national economic sectorial and territorial structures. They found expression, in particular, in the

rapid increase of the length of the transportation system, first of all electrified railroads, in the development of pipeline and motor (hard-surface roads) transport. The dynamics of the development of the transportation infrastructure of the CEMA countries, which characterizes their transportation potential, is shown in Table 2.

Table 2

Dynamics of the Development of the System of Transportation Routes
of the CEMA Countries*

Transportation routes	Distance, thousands of km			Increase of 1980 as against 1960, percent
	1960	1970	1980	
Railroad lines.	208.5	215.6	229.9 ¹	110
including electrified . . .	16.9	43.8	60.9	360
percent	8.1	20.3	26.5	--
Inland waterways.	148.5	155.4	152.9 ²	103
Roads	1911.3	1656.3	1677.8 ³	88
including with a hard sur- face.	599.5	862.3	1146.2 ^{3,4}	191
percent	31.4	52.1	68.3	--
Air lines	469.4	1090.9	1571.7	335
Petroleum pipelines	18.9	42.5	79.3 ^{2,5}	420

1. SRV--1979.

2. Romania--1974.

3. Cuba--1979.

4. SRV--1978.

5. CSSR--1977.

* Calculated according to "Statisticheskii yezhegodnik stran-chlenov Soveta Ekonomicheskoy Vzaimopomoshchi" [Statistical Yearbook of the Member Countries of the Council for Mutual Economic Assistance], Moscow, 1981, pp 273-276.

Important measures on the technical equipment and retooling of individual types of transportation have been implemented by the CEMA countries in the process of cooperation and economic integration. In particular, the traffic capacity of railway lines, first of all in the assurance of international traffic, has been increased. Advanced systems of petroleum and gas pipelines, which are making it possible to solve efficiently the problem of the transportation of petroleum and gas from the USSR to the countries of the socialist community, underwent dynamic development.

The cooperation of the CEMA countries in the joint use of the Common Fleet of Freight Cars, which in the past 10 years has increased by threefold and now comes to 300,000 cars, is improving. More than half of the freight being transported by railroads between the CEMA countries is being hauled in them. The Illichevsk-Varna ferry, the Soviet-Bulgaria Dunaytrans Company and the Interlikhter International Economic Shipping Enterprise have been set up and are in operation. In 1981 agreements were concluded on the support of the traffic of especially heavy and large equipment for atomic energy and on the creation of an operating system for the

management of the traffic of traction and the processing of tonnage on the Danube River were concluded [15, 16]. The United Container System underwent further development; the Council for the Joint Use of Heavy Freight Containers has been formed and is operating.

However, the CEMA countries are still faced with serious difficulties in the support of international traffic. Rail transport, especially of the Soviet Union, is operating under extreme tension.

The freight traffic density of the railroads of the USSR in 1980 was 4- to 6-fold greater than in the other CEMA countries and as compared with the United States 5-fold greater, the FRG--11-fold greater, France--12-fold greater [10, pp 273-274; 17]. Its magnitude for the main railway lines exceeds the average union level in the eastern regions of the country by 1.4- to 2-fold, and on individual sections by 5- to 6-fold [14, p 212]. The lack of conformity of the carrying capacity of railroads to the growing needs for transportation is gradually increasing. This is explained to a considerable extent by the fact that the construction of new lines and additional main tracks from 1961-1965 to 1976-1978 decreased to approximately five-elevenths [18].

The problem of the traffic capacity of the border stations, especially in the transportation ties of the Soviet Union with the European CEMA countries, which are experiencing an excessive strain with respect to the transshipment of large amounts of fuel, raw material and finished products due to the different track gauge of the railroads, remains urgent. The traffic capacity of seaports and river ports lags behind the needs, there are not enough heated warehouses and cold-storage warehouses for the short-term storage of perishable goods. The development and structure of the fleets of transportation vehicles do not completely conform to the trends of scientific and technical progress and the changing commodity structure of foreign trade deliveries. The delivery for transportation of foreign trade goods by the supply enterprises of both the Soviet Union and the other CEMA countries, which is untimely and uneven by periods of the year, as well as the shortcomings in the organization and technology of the transfer of export-import products at the border points are complicating the situation.

As a result transportation is becoming more and more a moderating factor of the development and intensification of socialist economic integration, the improvement of industrial structures and the acceleration of the progressive changes in them. The uninterrupted deliveries to the national economy of the CEMA countries of fuel and raw materials, the products of the sectors of the processing industry are not being ensured, international production cooperation is being checked.

Thus, the CEMA countries are faced with serious tasks on the development and improvement of transportation, the bringing of it in line with the occurring and anticipated changes in the sectorial and territorial structures of the economy under the conditions of economic integration.

In the plans of the development of the economies of the CEMA countries for 1981-1985 and the period to 1990 important tasks on the meeting of the needs of the national economy for transportation were posed for transportation. They are aimed at the further development and improvement of the national transportation systems, the strengthening of the material and technical base of the transportation

infrastructure, the introduction of new equipment and the increase of the efficiency and quality of the operation of transportation. The effectiveness of the cooperation of the CEMA countries in this area depends to a considerable extent on the level of development of the transportation infrastructure within the national framework.

The transportation support of the international traffic of the CEMA countries under the conditions of the further intensification of socialist economic integration and the implementation of their long-term structural policy is connected primarily with the practical implementation of the measures of the long-term goal program of cooperation in the area of transportation. They are aimed at the modernization and re-equipment of the transportation system of the CEMA countries on the basis of the acceleration of scientific and technical progress, at its efficient and interconnected development with respect to all its elements and the increase of the carrying and traffic capacity in international traffic.

The requirement of the rapid return of the measures of the long-term goal program of cooperation, their large scale and great capital-intensiveness are making necessary the concentration of investments on the decisive, priority directions of the development of transportation and the assurance of the appropriate sequence in the implementation of these measures.

The intensification of the steps on the increase of the completeness and interconnection and on the coordination of the operation of individual types of transportation and the improvement of the structure of the transportation system in conformity with the occurring and anticipated changes in the sectorial and territorial structures of the CEMA countries are an extremely important task. In this connection the decrease of the load of railroads and the more complete use of waterways, pipeline, motor and air transport are acquiring great importance.

Rail transport will retain in the future the leading role (Table 3) as a universal main type of transportation. Its development is a priority direction and a most important task, which the CEMA countries will accomplish in the future within the international and national⁸ frameworks.

Table 3

Share of Individual Types of Transport in Support of Traffic
Between the CEMA Countries, Percent

Types of transport	1970	1975	1985, plan	1990, forecast
Rail.	65.6	54.8	46.4	45-50
Maritime*	12.0	18.1	21.2	20-21
River	4.4	3.9	5.0	4-5
Motor	0.2	0.2	0.4	0.3-0.5
Pipeline.	17.8	23.0	27.0	25-30

* Including sea ferryings.

Source: EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV, No 5, 1979, p 44; No 4, 1982, p 16; the indicators for 1970--according to the data of "Zheleznodorozhnyy transport v SSSR i za rubezhom" [Rail Transport in the USSR and Abroad], Issue 3, Moscow, 1972.

The rapid retooling and renovation of the main international railway lines, primarily by the electrification of the roads with the simultaneous modernization of all the units of the railroad management of border stations, the increase of their technical equipment, the creation of highly mechanized specialized transshipment complexes and on this basis the rapid increase of their carrying and traffic capacities lie ahead. Here particular attention should be devoted to the modernization of the station and track facilities, the mechanization and automation of the station operations.

In conformity with the measures of the long-term goal program of cooperation the CEMA countries have coordinated the development of 18 main international railway lines, of them 14 in the east-west direction and 4 in the north-south direction, with a total length of about 19,000 km. During 1981-1985 and the period to 1990 on these railway lines it is planned to build up to 2,000 km of second tracks, to equip more than 7,000 km with automatic blocking and centralized traffic control, to electrify more than 6,000 km and to rebuild more than 9,000 km of track. The construction of 397 km of new tracks, the modernization and technical equipment of 21 border stations are also proposed [12, No 4, pp 16, 21].

The aggravation of the difficulties with the support of international traffic is making necessary the rapid implementation in the immediate future of a set of measures of the long-term goal program of cooperation on the increase of the carrying and traffic capacity of the system of railroads of the USSR in the ties with European countries (east-west), the terminal border stations and junctions, on the improvement of their operation, extensive specialization in conformity with the structure of the commodity turnover and the development of the station, track and warehousing facilities. Here the simultaneous solution of the problem of the complete and smooth delivery for transportation of products by the supply enterprises of both the USSR and the other CEMA countries, as well as the organizational and technological questions of the transfer of goods at the border stations is necessary. The development and introduction in practice of a unified comprehensive technology of their operation can play an exceptionally important role in the improvement of the process of transferring export-import products at the border stations.

The priority implementation of measures on the specialization of the rolling stock of both rail and other types of transport is of great importance in the accomplishment of the tasks of increasing the efficiency of the operation of border stations and transportation centers. These are inseparable and interconnected elements of the overall problem of increasing the efficiency of the transportation of the products of both the fuel and raw material sectors and the sectors of the processing industry. The specialization of the car fleet, for example, the use of hopper cars, mineral cars, cement cars and grain cars, is making it possible to increase the productivity of unloading to 2,000 tons an hour. With the introduction in maritime transport of bulk carriers for raw material goods, lumber ships, ships with horizontal unloading of the "Ro-Ro" type and container ships the rate of cargo operations increased by 15-25 percent [9]. The specialization of means of transportation in all the units of the transportation infrastructure in conformity with industrial changes and the changing structure of international traffic is a most important factor of the assurance of their efficiency.

The construction in the 1980's and 1990's by the interested countries of new deep lead-ins of the railroads of the gauge of Soviet railway lines (1,525 mm) which

ensure the direct delivery of products through the border stations, may become the most important means of the effective and continuous support of the transportation of foreign trade cargo--fuel and raw materials, foodstuffs and industrial goods, machines and equipment--in the ties of the USSR with the European CEMA countries. The role of such lead-ins is also great in the accomplishment of the cooperative processes of production within the framework of economic integration. Positive experience of cooperation in the solution of this problem has already been gained by the operating railway lines of this type from the border of the USSR to the metallurgical combines in Kosice (CSSR), Galati (Romania) and Katowice (Poland).

The further expansion of the use of such a form of cooperation, which has been checked by many years of practice, as the pooling of the efforts and the enlistment of the assets of the interested CEMA countries in the development of the existing transportation infrastructure or the construction of new transportation facilities, is an important direction of the solution of the urgent transportation problems which are connected with the improvement of the sectorial and especially the territorial structures in the process of economic integration.

The fundamental statement of this question is legitimate, especially when the matter concerns the transportation of products from the production facilities of integration importance, which are being built by the joint efforts of the CEMA countries. In this case the transportation problem should be solved in the unified complex of cooperation on the building of such production facilities.

The building by the joint efforts of the CEMA countries of systems of petroleum and gas pipelines at the same time as the solution on an integration basis of the problem of the meeting of their needs for petroleum and gas can serve as an example of such cooperation. It is unquestionable that the effective form of cooperation by the pooling of financial, material and manpower resources in the construction and development of transportation facilities of integration importance, and first of all for the assurance of deliveries of fuel and raw material resources, will undergo subsequent development.

In the solution of the problem of the efficient transportation support of the CEMA countries in the fuel, energy and raw material sectors, particularly in the area of the delivery of gas, petroleum and petroleum products, in the 1980's and the future an important role, as before, will belong to pipeline transportation. The joint construction and operation of mighty systems of petroleum and gas pipelines (the Druzhba petroleum pipeline, the Soyuz, Bratstvo, USSR-Hungary and USSR-Bulgaria gas pipelines, the USSR-CSSR-GDR transit system of gas pipelines and others) and the deliveries through them of petroleum and gas from the USSR are of enormous importance for the development of the national economy of the CEMA countries and progressive structural changes in it. The petroleum refining and chemical industry, power engineering and other most important sectors of the economy are being formed in the countries on the basis of valuable raw materials--petroleum and gas.

The petroleum and gas pipeline systems are making it possible to develop and improve the territorial structures of the countries of the socialist community. Thus, for example, the USSR-Bulgaria gas pipeline on the territory of Bulgaria forms the northern semicircle, which encompasses the northern regions of the country from Devnya to Sofia, and the first section of the southern semicircle, from Devnya to Stara Zagora with branches to Burgas and Dimitrovgrad. By 1985, upon completion of

the second section from Stara Zagora to Sofia, both circles will join. At present a large number of enterprises are already operating on the basis of the gas being delivered to these regions. In the CSSR the decision has been made to expedite the completion of the work on the third main line of the system of transit gas pipelines, which passes through its territory. Eight compressor stations are being built, the operating ones are being modernized and expanded. The capacity of the pipelines for the transportation of gas will increase in 1982 by 4 billion m³ [4]. The pipeline transportation of the Soviet Union will be developed rapidly, primarily on the basis of the development of the Western Siberian Petroleum and Gas Complex. During the current 5-year period five mighty main Western Siberia-the Center gas pipelines, as well as an export gas pipeline from Urengoy to Uzhgorod have to be built and put into operation for the transportation of Siberian gas, first of all from the Urengoy deposit.

In spite of the fact that the development of pipeline transportation is not envisaged within the framework of the long-term goal program of cooperation, the further intensification of cooperation in the joint construction of gas pipelines, the improvement of the operating gas and petroleum pipeline systems and the enlargement of the network of pipelines for the transportation of petroleum products lies ahead. Some fraternal countries have expressed the willingness to participate in the joint development of gas deposits and the construction of new gas pipelines on the territory of the Soviet Union. Pipe of large diameters, of advanced designs, first of all multilayer pipe, as well as thin-walled pipe with increased strength and pliability, will find extensive use in this work.

In the future such a new effective method of the transportation of mining raw materials as their delivery through pipelines can be used in the ties of the CEMA countries. In our country and abroad research is being conducted and definite achievements exist in this area of scientific and technical progress.⁹

The CEMA countries in conformity with the Comprehensive Program of Socialist Economic Integration have to expedite the study of the problem of the construction of pipelines for the delivery of ore, coal and other mining products initially over short distances and, in the future, with the acceleration of scientific and technical progress in this area, also over longer distances. This will make it possible to decrease the load of main railway lines and border stations, to ensure a direct process of transportation and to increase its efficiency.

Important tasks face the CEMA countries in the area of the development of maritime and river transport. It is a question of the enhancement of its role and the increase of its efficiency in international traffic. The renovation and modernization of the material and technical base of the fleet, and especially the ports, their reequipping, the introduction of extensive specialization and other operations lie ahead.

The development of the capacities of maritime and river transport (on the Danube), the more extensive use of ships of combined navigation ("river-sea"), the improvement of the existing international organizations and the creation of new ones will make it possible to enlarge considerably the range of its use for the delivery of raw material goods (ore, coal, metals) and products of the sectors of the processing industry and to decrease of the load of railroads in the interrelations of the CEMA countries.

In conformity with the long-term goal program of cooperation an extensive set of measures on the development of motor and air transport has to be implemented. The stepping up of the cooperation of the CEMA countries on the creation of joint enterprises in the area of motor transport and the development of joint regular cargo lines and the changeover to this type of transport¹⁰ (from railroads) of the transportation of an extensive list of foreign trade finished products are necessary. The sphere of use of air transport may be broadened in the future as a result of the development of the transportation of goods in small batches and with a high degree of processing.

Under the conditions of the structural changes an important role in the solution of transportation problems in the support of both domestic and international ties, first of all of the Soviet Union, will belong to high-voltage electric power transmission lines. The deliveries of an enormous amount of fuel and energy freight and electric power will require the development along with main railway lines and mighty pipelines also of systems of high-voltage long-distance electric power transmission lines.

The further intensification of the cooperation of the CEMA member countries in the area of electric power engineering, the uniting of the national power systems and the organization of their parallel operation will be an important direction of the solution of this problem on the international level. The placement into operation of the 750-kV Vinnitsa-Albertirsa electric power transmission line and the subsequent development of the network of electric power transmission lines of the same and greater voltage will promote the further increase of the deliveries of electric power in the ties of the CEMA countries. The construction by the joint efforts of Hungary, the GDR, Poland, the CSSR and the USSR of the 750-kV Khmel'nitskaya Nuclear Electric Power Station-Rzeszow (Poland) electric power transmission line will make it possible, starting in 1985, to annually export in the course of 20 years to the indicated countries 6.6 billion kWh of electric power [12, No 1, p 16]. The implementation of the program adopted by the CEMA countries of the construction of nuclear electric power stations as the leading direction of the solution of the fuel and energy problem will enable them to obtain annually 250 billion kWh of electric power and to save about 70-75 million tons of conventional fuel, which is approximately equivalent to the placement into operation of four gas pipelines like the Soyuz gas pipeline [16].

The solution of the problem of the transportation support of the economy of the CEMA countries and their mutual cooperation in many ways is connected with the use of advanced transportation technologies, the precise organization of the entire process of transportation and its smoothness.

In this connection advanced container transportation within the framework of the Unified Container Transportation System of the CEMA countries, which ensures the great efficiency of the transportation process, should undergo extensive and priority development in the future. It is necessary to enlarge the products list for transportation in containers. This pertains first of all to finished products, machines, equipment, parts and assemblies.

The solution of the problem of increasing the containerization of international transportation in many ways is governed by the means necessary for this--large-tonnage containers (specialized and general-purpose), specialized rolling stock,

container centers and terminals, materials-handling equipment and others. The taking of the appropriate steps on the acceleration of their production on the basis of specialization and cooperation is necessary.

The solution of the problems of the transportation support of the formation and improvement of the structures (sectorial and territorial) of the economy in the non-European CEMA countries (the SRV, Cuba, Mongolia) merits special attention. The creation of a developed transportation infrastructure in these countries is of extremely great importance in the formation here of such basic sectors as the fuel and power, metallurgical and chemical sectors, machine building and others. The set of measures on the acceleration of the development and the increase of the efficiency of the transportation of the SRV, Cuba and Mongolia, which is outlined in the long-term goal program of cooperation by a special section, will serve the accomplishment of this task.

The CEMA countries, particularly the Soviet Union, are giving these countries economic and technical assistances in the construction on their territory of a number of transportation facilities, promoting thereby the strengthening of their transportation potential and the increase of the effectiveness of participation in socialist economic integration. In recent years alone work has been performed in Cuba on the modernization of the main railway line of the country, the Havana-Santiago de Cuba railway line, and on the construction of a container wharf at the port of Havana.

With USSR assistance in the SRV measures were implemented on the modernization of the Hanoi Railroad Center and the widening of the gauge of the Hanoi-Haiphong Railroad, work will be performed on the completion of the construction of the Thanglong Bridge over the Song-koi and others. The seaport of Haiphong to a considerable extent has been reequipped. Here 11 mechanized wharves have been put into operation, warehouse facilities with a total area of 90,000 m² have been built, railroad tracks have been laid. All this made it possible to increase by threefold the capacity of the port [20].

In Mongolia the Erdenet-Selenge Timber Management highway with a bridge over the Selenge River was built with USSR assistance. The construction of an electric power transmission line between Darhan and Ulaanbaatar and the connection of the central power system of Mongolia with the Sibir' power system are promoting the substantial improvement of the power supply of all the sectors of the national economy of the republic.

The specific nature of the transportation ties of the USSR and the other European CEMA countries with Cuba and the SRV is advancing as a priority problem the problem of cooperation in the development of maritime shipping. In particular, the expansion and modernization of the ports of Cuba, such as Havana, Cienfuegos, Santiago de Cuba and others, and the construction of petroleum storage tanks, elevators and cold-storage facilities lie ahead. The implementation of the program of cooperation in the expansion of the production and export of citrus fruits in Cuba will involve the solution of the problem of the development of the refrigerator fleet for their transportation. The creation in Cuba of bases for the maintenance and repair of the fleet by the joint efforts of the CEMA countries lies ahead.

The increasing ties of the CEMA countries, especially the USSR, with Mongolia and the development by joint efforts of the raw material resources of these countries specify an important direction of the cooperation in the development in these contacts of the carrying and traffic capacity of rail transport. The renovation and modernization of the railroads and border stations, which link the USSR with Mongolia, have to be carried out.

In the solution of the problems of the effective transportation support of the improvement of the sectorial and territorial structures of the CEMA countries an important role belongs to the extension of their cooperation on the utmost intensification of the transportation and economic ties and the decrease of the expenditures for international transportation. In this connection the scientifically sound consideration of the transportation factor in the case of the location of export-import bases, jointly built national economic projects and power-consuming and materials-consumer works is of paramount importance. This will make it possible to provide the most efficient system of freight flows, which is especially urgent, as was already noted above, for the Soviet Union, with its vast territory.

The implementation of the agreement, which was concluded within the framework of the long-term goal program of cooperation, on the expansion of the production in the USSR, particularly in the eastern regions, of power-consuming chemical products for their delivery to the CEMA member countries in exchange for less power-consuming and small-tonnage products can serve as an example of the effective solution of the problem of the location of power-consuming works. This is making it possible to exclude from deliveries and transportation over large distances significant amounts of fuel, energy and raw material goods.

The solution of such an urgent problem as the decrease of the raw material nature of export-import traffic in their reciprocal ties can serve as a major reserve of the economy of national economic expenditures on the development of transportation of the CEMA countries. The means of solving this problem consist in the further introduction in the national economy of the CEMA countries of the achievements of scientific and technical progress, the optimization of their production structures and the rationalization of the international socialist division of labor.

The implementation of interconnected intersectorial comprehensive measures on the rearrangement of their fuel and energy balances of the CEMA countries, as well as the processing industry in the direction of the decrease of the materials-output and power-output ratios, the creation of waste-free production, the increase of the use of domestic fuel and raw material resources and the use of new sources of energy is called upon to play a substantial role in the rationalization of the structure of the foreign economic and transportation ties of the CEMA countries. The "improvement" of export products at the place of their production and the replacement of the export of raw material goods by semimanufactures and finished items can also play an important role.

In the solution of the difficult, complex problems of the transportation support of the international traffic of the CEMA countries the importance of their mutual consultations on the basic directions of transportation policy for the long-range future is increasing extremely. This conforms to the decisions of the 26th CPSU Congress and the 36th meeting of the CEMA Session on the supplementing of the coordination of the national economic plans with the coordination of economic,

scientific and technical policy. The CEMA countries can coordinate such basic and decisive directions of transportation policy as the improvement of the distribution from the point of view of the transportation factor of the productive forces of integration importance with allowance made for the possible combining of the efforts of the interested CEMA countries in the development of the transportation infrastructure; the formation of the material and technical base of the transportation system, its coordinated and balanced development; the intensification of transportation and economic ties in the process of the mutual division of labor, the improvement of the organization and management of the process of transportation, the introduction in transportation of advanced technologies and automated control systems, the improvement of the economic mechanism of cooperation in the area of transportation and much more.

All this will promote more and more the implementation of the long-term structural policy of the countries of the socialist community, the further convergence and equalization of the levels of their economic development.

FOOTNOTES

1. According to the definition of Yu. S. Shiryayev, the formation of international production systems is the result of the development of international production cooperation [7].
2. The interconnection and interconditionality of the formation of domestic and international transportation and economic ties under the conditions of economic integration are governed by such general factors as the development of the productive forces of the countries, the increase of industrial production, its sectorial and territorial changes, the acceleration of scientific and technical progress and the rate of the involvement of the economy in the international division of labor.
3. The highest growth rate of the freight turnover were for Cuba (16.4-fold), Bulgaria (8.5-fold) and Romania (7.2-fold). Although the Soviet Union had indicators of the growth rate of the freight turnover, which were close to the average indicators (3.2-fold), with respect to the increase of the absolute amount of work of transportation it exceeded by several times all the other CEMA countries [10].
4. Thus, the average annual growth rate of the gross output of industry during the period of 1976-1980 came to 8 percent in Bulgaria, 8.4 percent in Mongolia and 9.5 percent in Romania, while in the other European CEMA countries this indicator fluctuated within the range of 3.5-5 percent. During the past 5-year period the gross output of industry of Cuba increased rapidly. The highest growth rate of the foreign trade commodity turnover is also characteristic of these countries [10].
5. For more detail on the means of intensification in the solution of the fuel and energy problem in the CEMA countries see [8].
6. Thus, for example, since 1980 15.5 billion m³ of natural gas have been additionally delivered annually through the Soyuz main gas pipeline from the USSR to

the countries which participated in the construction. Capacities for the production of 5.7 million tons of iron ore a year, the production of 1.2 million tons of iron ore concentrate, 6 million tons of oxidized pellets, 200,000 tons of ferromanganese and 180,000 tons of ferrosilicon, which serve as objects of deliveries in their reciprocal ties, have been created on the territory of the USSR by the joint efforts of the CEMA countries. A plant for the production of nutrient yeast in the city of Mozyr with a capacity of 300,000 tons a year is being built. The Soviet-Mongolian Erdenet Combine has been put into operation, which has created a new flow of international traffic--copper and molybdenum concentrates [12, No 1, pp 15-16]. The CEMA countries are examining the question of the possible cooperation with Mongolia in the development of the Hobsgol basin of phosphorites [15, p 13]. The cooperation in the development of the production of nickel in Cuba for the meeting of both its domestic needs and the needs of the other CEMA countries will be continued.

7. The reciprocal deliveries of machine building products within the framework of CEMA are increasing more rapidly than the volume of machine building production. Here the exports of specialized productions are increasing approximately two-fold more rapidly than the total exports of machines and equipment [14, pp 242, 243].
8. During 1981-1985 in the USSR 3,600 km of new railroad lines will be built, 5,000 km of second tracks will be put into operation, more than 6,000 km will be electrified and more than 15,000 km of roads will be equipped with automatic blocking and centralized traffic control [1]. In Bulgaria during the 5-year period it is planned to electrify 650-700 km of railway lines and to build more than 400 km of two-track lines [19]. In Hungary it is envisaged by 1985 to completely replace steam traction first of all by electric traction and to equip 640 km of lines with automatic blocking [21]. In the GDR the rapid electrification of 700-750 km of railroads is planned [22]. In the CSSR it is planned to put into operation not less than 450 km of electrified tracks and to increase the proportion of roads which are equipped with automatic blocking [23].
9. At present a plan of the first coal pipeline from the Kuzbass to Novosibirsk has been drawn up. The technical and economic substantiation of the construction of a pipeline for the delivery of iron ore concentrate from Krivoy Rog to the Donbass has been prepared [5]. Plans of coal pipelines with a length of 1,046 km to 2,687 km with a capacity of 10 million to 40 million tons a year, a number of which it is proposed to build by the middle of the 1980's, exist in the United States [24].
10. It should be noted that in a number of CEMA countries (Hungary, Romania, the CSSR and others) the slowing of the rate of development of transportation by motor transport for the purposes of saving fuel and energy resources is envisaged in the national economic plans for 1981-1985 and the subsequent period.

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COOPERATION WITH UN ECONOMIC COMMISSION FOR EUROPE IN STATISTICS

Moscow EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV in Russian No 4, Apr 83
pp 57-59

[Article by Arnol'd Melikayev, CEMA Secretariat: "The Cooperation of CEMA and the UN Economic Commission for Europe in the Area of Statistics"]

[Text] The Final Act of the Conference on Security and Cooperation in Europe called for multilateral cooperation in the area of statistics among the European countries for the purpose of improving the comparability of international statistical data. This not only is helping the mutual understanding among countries with different socioeconomic systems, but is also promoting their trade, economic, scientific and technical cooperation. CEMA and the UN Economic Commission for Europe are developing on a stable and long-term basis business cooperation in the area of statistics. During the past decade it took the form primarily of joint elaborations on a number of urgent problems of statistical methodology. The rapid development of the international statistics of the CEMA member countries, which has become a reliable source of comparable information on the development of the national economy and the intensification of economic, scientific and technical cooperation, is an objective prerequisite for the development and extension of the fruitful ties between both organizations.

The CEMA Permanent Commission for Statistics has implemented a comprehensive program of the assurance of the methodological unity of the statistical indicators, classifications and nomenclatures of the countries of the socialist community. In practice all the basic sections of modern statistics are encompassed by it. The experience of the multilateral cooperation of the CEMA member countries in a number of important directions of statistics is of a universal nature and is being used more and more extensively in other international organizations, particularly the UN Economic Commission for Europe, when elaborating means and methods of the solution of similar problems of international statistics. In turn the CEMA Secretariat is studying and using everything new and useful, which originates in the course of the collective elaborations of statistical methodology within the framework of the Conference of European Statisticians of the UN Economic Commission for Europe and the statistical organs of other international organizations.

Since 1975 the cooperation of CEMA and the UN Economic Commission for Europe in this area has been organized on the basis of 2-year programs, which are coordinated at regular consultative conferences of specialists of both Secretariats. The themes of the programs are included in the plans of the activity of the CEMA

Permanent Commission for Statistics and the Conference of European Statisticians of the UN Economic Commission for Europe. This is promoting the increase of the quality of the work being performed and is ensuring its comprehensive examination at representative statistical forums. A practical orientation is characteristic as a whole of the themes of cooperation of CEMA and the UN Economic Commission for Europe. As a rule, it is presumed that the documents, which have been prepared jointly by both Secretariats, will serve as a basis for the adoption of specific international recommendations on statistics after their discussion and endorsement by the Conference of European Statisticians.

The comparison and coordination of the statistical classifications and nomenclatures, which are used respectively by CEMA and the United Nations, are one of the leading directions in the cooperation of CEMA and the UN Economic Commission for Europe in the area of statistics, which directly affects the improvement of the comparability of international data. The statistical activity of the UN Economic Commission for Europe relies primarily on the classifications, nomenclatures and systems of indicators, which were elaborated and endorsed in different years by the UN Statistical Commission. The statistical methodology, which is primarily used in countries with a market economy, is the basis for them. It is natural that the standardized methodological base, which was elaborated by the joint efforts of the CEMA member countries and on which the information system of CEMA is based, has very significant peculiarities, which stem from the principles and organization of socialist reproduction. The statistical study of the international level of several more or less similar phenomena and processes in the economic and social development of countries with different social systems is possible in the case of the making of a specific methodological identification of the indicators. For these purposes the Secretariats of CEMA and the UN Economic Commission for Europe are conducting joint studies on the comparability of individual, most important statistical classifications and nomenclatures and are seeking possible means of their coordination.

Practical experience has shown that the elaboration of tables of algorithms of the conversion of the category of one classification into the category of another classification, which acquired the name of conversion keys, proved to be a very convenient method of coordinating the classifications and nomenclatures of CEMA and the United Nations. The 29th Session of the Conference of European Statisticians in 1981 approved the conversion key, which was developed jointly by the Secretariats of the UN Economic Commission for Europe and CEMA, from the UN Standard International Trade Classification to the Unified Commodity Nomenclature of Foreign Trade of the CEMA Member Countries. Both of these international foreign trade classifications contain different groups of goods which enter foreign trade. In the UN Standard International Trade Classification the goods are broken down into 10 single-digit sections, which in turn are divided into 63 divisions (two-digit), 233 groups (three-digit), 786 subgroups (four-digit) and 1,832 line items (five-digit). The Unified Commodity Nomenclature of Foreign Trade of the CEMA Member Countries consists of 9 aggregated sections (with a single-digit designation), which are divided into 57 commodity groups (two-digit), 320 subgroups (three-digit) and 4,000 items (five-digit), more than 8,500 subitems (seven-digit).

Even from such a general comparison of the structures of both foreign trade classifications it is evident that the possible conversions of the reciprocal commodity turnovers, which are expressed in the categories of one of the cited classifications, require a reliable methodological base. The comparability of the data of

foreign trade in international statistics is extremely necessary. The Secretariats of CEMA and the Economic Commission for Europe have completed the first stage of the coordination of the foreign trade classifications of CEMA and the United Nations, having elaborated a fundamental plan of the conversion of the categories of the UN Standard International Trade Classification into the categories of the Unified Commodity Nomenclature of Foreign Trade of the CEMA Member Countries. This conversion key was published in the publication STATISTICAL STANDARDS AND RESEARCH (No 32), which was prepared by the UN Statistical Commission and the Conference of European Statisticians of the UN Economic Commission for Europe. The key from the categories of the Unified Commodity Nomenclature of Foreign Trade of the CEMA Member Countries to the categories of the UN Standard International Trade Classification will be elaborated after the revision of both classifications, which is being carried out within both CEMA and the UN Economic Commission for Europe.

The experimental check of the draft of the conversion key using the actual data of two partner countries, Hungary and Austria, which use in practice the classifications of CEMA and the United Nations, also had a positive influence on the other joint work of CEMA and the UN Economic Commission for Europe in the area of statistics. As a result a number of initial premises of the construction of conversion tables between the categories of the UN Standard International Trade Classification and the Unified Commodity Nomenclature of Foreign Trade of the CEMA Member Countries were adjusted, while the nature of the possible discrepancies in the case of international comparisons of data on foreign trade was also differentiated more precisely.

The testing of the draft of the conversion keys showed that in addition to the differences in the classifications there are also other significant factors which influence the results of the comparison of the indicators of foreign trade between countries. The Conference of European Statisticians asked the Secretariats of CEMA and the UN Economic Commission for Europe to regularly update the conversion key between the UN Standard International Trade Classification and the Unified Commodity Nomenclature of Foreign Trade of the CEMA Member Countries, bearing in mind that both international organizations are constantly improving the foreign trade classifications.

The experience of coordinating the given classifications is being used successfully while performing joint work on the comparison of the Classification of the Sectors of the National Economy of the CEMA Member Countries and the UN International Standard Industrial Classification.

The Classification of the Sectors of the National Economy of the CEMA Member Countries is playing an important role in the system of classifications and nomenclatures of CEMA, being one of the basic tools of the statistical study of the social division of labor, the structural changes in the national economy and the efficiency of social production.

The UN International Standard Industrial Classification, which is also intended for the study of types of economic activity, is being used extensively in UN statistical practice and in its regional and specialized organizations. The comparison and coordination of these classifications of CEMA and the United Nations will also have an influence on other directions of international cooperation in the area of statistics, particularly the studies on the comparison of the balance of the national economy and the system of national accounts.

The 30th Session of the Conference of European Statisticians (1982) rated favorably the progress which has been achieved in the experimental coordination of the international industrial classifications of CEMA and the United Nations. At present on the basis of the drafts of the conversion keys between the Classification of the Sectors of the National Economy of the CEMA Member Countries and the UN International Standard Industrial Classification (in both directions), which have been elaborated within CEMA, their experimental checking on the basis of the data of Bulgaria and Finland is being completed with direct assistance on the part of the Secretariats of CEMA and the UN Economic Commission for Europe. The practical testing of the methodological recommendations, which were elaborated jointly by CEMA and the UN Economic Commission for Europe, on the coordination of international classifications with the participation of the interested countries of the European region is becoming more and more firmly established as one of the specific and useful forms of the cooperation of CEMA and the UN Economic Commission for Europe in the area of statistics.

Such a form has also been extended to another area of the cooperation of CEMA and the UN Economic Commission for Europe--the comparison and coordination of the methodology of the balance of the national economy of the CEMA member countries and the system of national accounts, which are being carried out within the framework of the programs of activity of the United Nations. It is of particular interest for international statistics and is being formed from several more or less independent directions. Both systems of indicators of both the balance of the national economy under the conditions of socialist reproduction and the system of national accounts under the conditions of a market economy perform the role of the most universal set of tools for the measurement of the results and efficiency of economic activity. Their central place in the macroeconomic analysis of the results of the economic development of countries with different social systems established the comparison and coordination of the systems of indicators of the balance of the national economy and the system of national accounts as one of the most important spheres of international cooperation in the area of statistics.

The CEMA Permanent Commission for Statistics is performing systematic work on the improvement of the methodology of the balance of the national economy, which is promoting the increase of the level of the comparative analysis of the balance of the national economy and the system of national accounts. The United Nations, particularly the Economic Commission for Europe, is also engaging in similar activity with respect to the system of national accounts. The Secretariats of CEMA and the UN Economic Commission for Europe periodically inform each other of the specific changes and additions, which are being made in the methodological principles on the calculation of some units or others of the balance of the national economy and the system of national accounts. For example, in 1982 the CEMA Secretariat prepared for the regular meeting of the task force of the UN Economic Commission for Europe on the system of national accounts and the balance of the national economy a report, in which all the most significant changes in the methodology of the balance of the national economy, which had been elaborated and agreed on by the CEMA member countries in recent years, were set forth in detail. With allowance made for this document the task force of the Economic Commission for Europe prepared a number of proposals on the further improvement of the mechanism of calculations on the coordination of the balance of the national economy and the system of national accounts, which were elaborated and officially approved by the UN Statistical Commission in the early 1970's.

Another aspect of the cooperation of CEMA and the UN Economic Commission for Europe on the given problem consists in providing practical assistance to the interested countries in the comparison of the indicators of the balance of the national economy and the system of national accounts on the basis of the data of their national statistics. Such comparisons are methodologically complicated and labor-consuming. They have been made recently and infrequently. A significant contribution to the method of coordinating the balance of the national economy and the system of national accounts was made by the experimental comparison of their indicators between Hungary and France, which was completed by them with the assistance of the Secretariats of CEMA and the UN Economic Commission for Europe in 1981.

The possibility of holding a new round of the intersystem comparison of the balance of the national economy and the system of national accounts with the enlistment of the interested European countries is presently becoming clear. Such joint comparisons with allowance made for the latest results of the theoretical and methodological studies on the problems of the coordination of the balance of the national economy and the system of national accounts will be useful when elaborating reliable methods of ensuring the reliability of the data in one of the fundamental areas of international statistics.

The Secretariats of CEMA and the UN Economic Commission for Europe are sharing in various forms the experience in the development and improvement of the branches of modern statistics, which are of practical interest for both international organizations. The CEMA Secretariat, in particular, is using extensively the materials of the UN Economic Commission for Europe on the development of environmental statistics, social statistics, the urgent problems of the processing of statistical information, the methodology of international comparisons and others. Such opportunities as the mutual exchange of methodological and informational materials and statistical publications, participation if possible in conferences and other measures, which are being organized within the Economic Commission for Europe, are being taken advantage of. The preparation of reports and information on individual methodological problems, which are of interest to the UN Economic Commission for Europe and are being successfully solved by the collective efforts of the CEMA member countries, is being used most often in practice by the CEMA Secretariat jointly with the UN Economic Commission for Europe.

A positive appraisal of the results of the cooperation of CEMA and the UN Economic Commission for Europe in the area of statistics is given in the Survey of the Activity of the UN Economic Commission for Europe, Which Concerns the Fulfillment of the Final Act of the Conference on Security and Cooperation in Europe, which was discussed at the Madrid meeting.

This is evidence of the recognition of the active work of CEMA on the development of multilateral cooperation in the area of statistics of all the countries of the European region.

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STANDARDIZATION OF NATIONAL LEGAL NORMS

Moscow EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV in Russian No 4, Apr 83
pp 60-63

[Article by Candidate of Juridical Sciences Rudol'f Petrosyan, responsible secretary of the Soviet section of the CEMA Conference on Legal Questions: "The Standardization of the National Legal Norms of the CEMA Member Countries"]

[Text] The increase of the economic might of each fraternal country separately and of the entire socialist community as a whole, the equalization of the levels of economic development, the strengthening of the interrelations between countries and the emergence of elements of community in their politics, economics and social life were characterized by the congresses of the Communist and Workers' Parties as the process of the gradual convergence of the socialist countries.

This process also includes a set of measures on the standardization of legislation and legal norms. Socialist in their content, they have several peculiarities which stem from the national and historical conditions of the countries and their political, economic and sociocultural development.

The Agreement on International Rail Freight Traffic and the Agreement on International Passenger Traffic, which were concluded in 1951, can be regarded as the first standardized norms. They established a uniform procedure of the conclusion of contracts on transportation, the responsibility of the parties to them and the periods of the lodging of complaints and the initiation of suits.

As is known, during the first period foreign trade was the main form of cooperation of the socialist countries. Being carried out on the basis of a state monopoly and the principles of reciprocity and comradely mutual assistance, it is legalized by long-term, as a rule, 5-year intergovernmental trade agreements and annual protocols on the commodity turnover. For their implementation agreements and contracts are concluded between foreign trade and other economic organizations.

Initially when regulating foreign relations the parties proceeded from the legislation and legal norms of one countries or another. In the absence of an understanding the principle "the law of the place of execution of the agreement" was in effect.

In 1958 the multilateral document "The General Terms of Deliveries of Goods Between the Organizations of the CEMA Member Countries (OUP SEV, 1958)" was adopted for

the purpose of ensuring a uniform legal procedure. It regulated in detail the procedure of the conclusion, change and termination of contracts, the dates of the deliveries of goods, their quality and quantity, questions of the guarantee, the procedure of payments, the lodging of complaints, the responsibility of the parties, the consideration of disputes by a board of arbitration, as well as the limitation of actions. In 1968, 1975 and 1979 additions and changes were made in this document. Now it is in effect in the wording of 1979.

"The General Terms of Deliveries of Goods Between the Organizations of the CEMA Member Countries" were adopted (put into effect) in the countries by the corresponding organs (superior organs of state power, governments or ministries) and owing to this acquired the nature of international obligations. All the deliveries of goods between the organizations of the CEMA member countries are made on the basis of this document.

In 1962 a number of other standardized documents in the area of foreign trade were elaborated: "The General Terms of the Installation and the Rendering of Other Technical Services, Which Are Connected With Reciprocal Deliveries of Machines and Equipment Between the Foreign Trade Organizations of the CEMA Member Countries," which were revised in 1973, and "The General Terms of the Maintenance of Machines, Equipment and Other Items, Which Are Delivered Between the Foreign Trade Organizations of the CEMA Member Countries," which are presently in effect in the wording of 1982. "The General Terms of the Installation and the Rendering of Other Technical Services, Which Are Connected With Reciprocal Deliveries of Machines and Equipment Between the Foreign Trade Organizations of the CEMA Member Countries" and "The General Terms of the Maintenance of Machines, Equipment and Other Items, Which Are Delivered Between the Foreign Trade Organizations of the CEMA Member Countries" have the same legal force as "The General Terms of Deliveries of Goods Between the Organizations of the CEMA Member Countries.

The adoption in 1971 of the Comprehensive Program signified the transition to a qualitatively new stage of interrelations. This dictated the need for the improvement of the legal bases of cooperation. The task was to elaborate general legal norms in different areas of foreign economic activity. As is indicated in the Comprehensive Program, one of the most important means to this is the convergence and standardization of the corresponding national norms.

It is a matter of the creation of uniform international legal norms by their coordination among the interested states. Such important peculiarities of the present stage of cooperation as the increase of the role of state management of the integration process, as well as the respect of the sovereignty of countries find reflection in this.

For the purpose of promoting the improvement of the legal bases of cooperation the Conference of Representatives of the CEMA Member Countries on Legal Questions¹ was created by a decision of the CEMA Executive Committee. This is a permanent organ of the council, which is called upon to draft multilateral agreements, conventions, uniform norms and statutes, which regulate the economic, scientific and technical cooperation of the CEMA member countries. One of the tasks of the conference is

1. Since 1980 the CEMA Conference on Legal Questions.

the promotion of the convergence of the legal norms of the CEMA member countries by the drafting of the corresponding proposals.

During the past period much work was done by the conference on the preparation of a number of standardized acts and documents, which contain uniform (standardized) norms and rules on questions of cooperation in the area of planning activity, foreign trade, the specialization and cooperation of production, science and technology, joint economic organizations, the consideration of disputes by a board of arbitration and so on.

The recommendations adopted by the CEMA Session at the 27th meeting on the introduction by the countries starting in 1974 as a component of their national economic plans of special sections, which envisage the implementation of such measures as the joint construction of large industrial projects, the development of the specialization and cooperation of production in the decisive sectors of the economy and the elaboration of the most important scientific and technical problems, were of great importance for the convergence of the national legal norms.

International economic organizations: associations, joint enterprises and companies, were created in conformity with the Comprehensive Program. Now there are more than 10 such bilateral and multilateral organizations, in the work of which the enterprises, trusts, associations and combines of the countries are participating.

The lack of adequately developed national legislation concerning the activity of these organizations, as well as some differences in the systems of planning, management and material and technical supply of the countries were responsible for the adoption of the Uniform Statutes on the Establishment and Activity of International Economic Organizations. This document, which was drafted by the conference, was approved at the 74th meeting of the CEMA Executive Committee in January 1976 and was recommended for use when setting up new international economic organizations. It played an important role in the preparation of the constituent documents of the Interlikhter International Economic Shipping Enterprise and the Intervodoochistka and Internefteprodukt International Economic Companies.

In conformity with the Uniform Statutes the international economic organizations are legal entities of the country of location. For the most part a "national status" is granted to them. This means that with very few exceptions they enjoy the same legal capacity as the economic organizations of the given country. Such a decision promotes the better functioning of the international economic organizations, since it leads to their "insertion" in the structure of the national economy of the state, on whose territory they are located.

The departures from the national legislation, which are envisaged in this document, concern only the planning of the activity of the international economic organizations, their material and technical supply, the marketing of products, property rights, the distribution of the financial results, as well as some aspects of the organization of labor and social insurance. Reference to the national norms is made for individual questions of the status of the international economic organizations. This concerns, in particular, the foreign economic activity of the international economic organizations, which is carried out on the basis of the state monopoly in foreign trade.

The CEMA member countries have made great gains in scientific and technical cooperation, in the fundamental combination of the achievements of the scientific and technical revolution with the advantages of the socialist economic system, the strengthening of the ties of science with production and its transformation into a direct productive force. A number of bilateral and multilateral acts, and first of all the Organizational, Procedural, Economic and Legal Principles of the Scientific and Technical Cooperation of the CEMA Member Countries and the Activity of CEMA Countries in This Area, are contributing to the successful accomplishment of these tasks. This document was drafted by the CEMA Committee for Scientific and Technical Cooperation and was approved by the CEMA Executive Committee in 1972. It envisages the regulation of such matters as mutual consultations on the basic problems of scientific and technical policy, the conducting of scientific and technical forecasting, the planning and financing of scientific and technical research, the legal protection of inventions and the terms of the transfer of scientific and technical results and their use.

Several model documents, which can be used during the convergence or standardization of the national legal norms, have also been adopted within the CEMA Conference on Legal Questions. Among them there are:

model license agreements (of the general type, on the transfer of know-how, on the gratuitous transfer of scientific and technical results, for trademarks);

model terms of the agreements on the performance of scientific research, planning and design and experimental work on the basis of cooperation;

a model agreement on scientific and technical cooperation of a specific problem;

model agreements and contracts on the creation of a temporary scientific and technical collective and on the creation of a joint laboratory (division);

model regulations on the material responsibility of organizations in accordance with agreements in the area of scientific and technical cooperation.

One of the advanced forms of the international socialist division of labor is the specialization and cooperation of production. It underwent extensive development in connection with the implementation of the Comprehensive Program and the long-term goal programs of cooperation. The multilateral agreements in this area are civil law documents of a special type. Their signing and implementation in a number of instances are faced with difficulties due to the gaps which exist in the national legislation, including of a legal technical nature. This dictated the need for the acceleration of the elaboration and the introduction in the countries of the corresponding uniform norms.

The General Terms of the Specialization and Cooperation of Production Between Organizations of the CEMA Member Countries, which were prepared by the conference and were approved by the CEMA Executive Committee at the 88th meeting in January 1979, pursue precisely such a goal. The adoption of the General Terms of the Specialization and Cooperation of Production Between Organizations of the CEMA Member Countries attests that the standardization of national legal norms does not reduce only to the creation of uniform norms on the basis of the existing norms. It also includes the elaboration of new ones, which previously did not exist in domestic legislation.

After the putting into effect of the General Terms of the Specialization and Cooperation of Production Between Organizations of the CEMA Member Countries by ratification of the highest organs of state power and the approval of governments, their use became mandatory when preparing multilateral agreements on the specialization and cooperation of production. Departure from their individual provisions is permissible only with the consent of all the parties to the agreement. The document can also be used for the drafting of bilateral agreements.

The General Terms of the Specialization and Cooperation of Production Between Organizations of the CEMA Member Countries regulate a wide range of issues; among them are the basic rights and duties of the specializing and nonspecializing parties, questions of the responsibility for the nonfulfillment or improper fulfillment of obligations, the procedure and periods of the lodging and consideration of complaints, the procedure of the consideration of disputes, questions of the limitation of action and others.

For greater flexibility and efficiency in the regulation of the relations of the parties the General Terms of the Specialization and Cooperation of Production Between Organizations of the CEMA Member Countries contains norms which are different in their legal force: imperative, dispositional and suggested.

Considerable success has been achieved in the convergence and standardization of legal procedure. They concern the improvement of the activity of foreign trade arbitration organs and the procedure of considering the disputes between economic organizations. The Convention on the Settlement by Arbitration of Civil Law Disputes Which Arise in the Process of Economic, Scientific and Technical Cooperation was signed in Moscow on 26 May 1972. It broadened considerably the competence of the national foreign trade arbitration organs, which operate in the chambers of commerce of the countries which are parties to the convention. In conformity with it the arbitration organs can now consider not only the disputes which ensue from foreign trade buying and selling contracts, but also all other disputes between economic organizations, which originate from the contractual or other civil law relations between them in the process of economic, scientific and technical cooperation. These disputes are liable to consideration, as a rule, in the country of the defendant.

The Comprehensive Program envisages the further convergence and standardization of the rules of the trying of cases also in national foreign trade arbitration organs. Previously the legislation of each country regulated in its own way the questions concerning the rules of arbitration procedure. For the assurance of equal procedural conditions regardless of the court of arbitration of what country the dispute is considered, the CEMA Conference on Legal Questions prepared the Uniform Regulations of the Courts of Arbitration Attached to the Chambers of Commerce of the CEMA Member Countries. The Statute on the Arbitration Fees, Expenses and Costs of the Parties is included in it as an appendix. New arbitration rules were adopted in the countries on the basis of this document, which was approved by the CEMA Executive Committee in February 1974.

Standardized norms were also drawn up during different periods outside the conference. They encompass first of all questions of transportation, invention and standardization.

In the area of transportation, for example, in addition to the two mentioned agreements (the Agreement on International Rail Freight Traffic and the Agreement on International Passenger Traffic), the General Terms of the Reciprocal Making of Maritime Tonnage Available for the Transportation of Foreign Trade Cargo of the CEMA Member Countries were drawn up in 1972. Two more intergovernmental agreements on the general terms of the performance of international transportation: of passengers by buses and of freight by motor transport, were signed in 1970 and 1974. They regulate in detail the procedure of issuing a permit for transportation, the terms of the corresponding agreements (conclusion and fulfillment, the responsibility of the carriers, complaints and suits), the basic principles of settlements, the rights and duties of service personnel and passengers and so on.

Intergovernmental agreements on the legal protection of inventions, industrial and generally useful prototypes and trademarks, on the standardization of the demands on the drawing up and submitting of applications for inventions, on the reciprocal recognition of inventor's certificates and other protective documents for invention and others have been signed with respect to the questions of invention.

The corresponding standard base has also been created in the area of standardization. These are first of all the Convention on the Use of CEMA Standards of 1974 and the Statute on the CEMA Standard, which was approved by the CEMA Session at the 28th meeting in June 1974.

On the basis of the decisions of the congresses of the Communist and Workers' Parties of the fraternal countries, as well as the decree of the CEMA Session, which was adopted at the 35th meeting, today special attention is being devoted to the problem of the legal regulation of the immediate (direct) ties between the organs and organizations of the countries. Being an integral part of the system of foreign economic relations, these ties are established with allowance made for the systems of planning and management, which exist in the countries, the state monopoly in foreign trade and other legal writs. They are aimed at the increase of the efficiency of social production and the utmost acceleration of scientific and technical progress.

At present the exchange of information on the procedure of accomplishing these ties has been carried out within the framework of the CEMA Conference on Legal Questions. In the USSR, for example, the right to establish direct ties in addition to ministries and departments is granted to all-union industrial associations, production and scientific production associations and large enterprises. Within the limits of the volumes of reciprocal deliveries and other obligations, which are envisaged by the international agreements with the participation of the USSR, they can conclude on their own behalf with foreign trade associations economic agreements on questions of the specialization and cooperation of production and scientific and technical cooperation.

Taking into account the different level of the rights and powers, with which the economic organizations of the countries are invested today in the sphere of foreign economic activity, the possibilities of their convergence and extension are being studied within the framework of the conference.

In this connection fears are being expressed: Will this not weaken the planned centralized principle in the activity of these organizations and the state monopoly

in foreign trade? Such fears would be valid, if direct ties were broadened and extended without proper state control, while the planned basis were replaced by the free market relations of independent economic units.

In our opinion, on the basis of the generalization of the formed practice it is necessary first of all to determine the group of questions, with respect to which economic organizations will carry out direct cooperation. This will make it possible subsequently to draw up the specific terms of the standard or model agreements, in which the possibility of the use of such forms of direct ties, which have justified themselves in practice, as conferences of authorized representatives of the parties and coordinating councils would be envisaged.

Within the conference work has also been started on the implementation of the legal prerequisites of the establishment and activity of joint cost accounting production firms and enterprises. The advisability of their creation was indicated in the decisions of the party congresses and the CPMA Session. Such firms and enterprises are called upon to engage in specific production, scientific production and other economic activity for the purpose of meeting the needs of the countries for specific types of machines and equipment, raw materials and foodstuffs. It is intended that these organizations will be included in the system of economic relations of the countries and for the most part the same terms will be guaranteed to them as their "own" enterprises enjoy.

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SPECIALIZATION OF NATIONAL ECONOMIC COMPLEXES

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pp 63-68

[Article by Doctor of Economic Sciences Nikolay Valeshko, Candidate of Economic Sciences Boris Dyakin and Vsevolod Perevertaylo, International Institute of Economic Problems of the World Socialist System: "The Specialization of the National Economic Complexes of the CEMA Member Countries"]

[Text] The cooperation of the national economic complexes of the CEMA member countries is the content of the process of socialist economic integration. It is based on their specialization as a unique type of the international socialist division of labor. The industrial structure of the economy formed mainly under the influence of the division of labor in the European CEMA member countries. Many sectors of the national economy are being developed on the basis of international specialization. The rapid growth of the sectors of industry, which promote scientific and technical progress, is characteristic of the fraternal countries.

During 1951-1981 the volume of output of machine building in the CEMA member countries as a whole increased by 35.4-fold, the growth rate of the output of machine building exceeded by 2.7-fold the growth rate of industrial output as a whole. The volume of output of the chemical industry increased during this period by 33.7-fold, that is, the output of this sector increased 2.6-fold more rapidly than the gross output of industry. In individual European CEMA member countries the output of these sectors in 1981 came to 32-44 percent of the volume of the gross output of industry.

Along with the general trends in the development of the national economic complexes of the CEMA member countries in each of them there are peculiarities which stem from natural, demographic and other objective factors and the specific nature of state policy in the area of the improvement of national economic structures. On the macrolevel the national economic structures of the European CEMA member countries, which are of a pronounced industrial nature, differ most substantially from the national economic structures of the SRV, Mongolia and the Republic of Cuba, in which for the present agriculture occupies the leading position. With an overall industrial specialization of the national economic complexes in Bulgaria, Hungary and Romania agriculture holds a relatively great place. The data on the development of the economies of the CEMA member countries are cited in Table 1.

Table 1

Dynamics of the Basic Indicators of Economic Development of the CEMA
Member Countries in 1981
(1950 = 1)

	Bulgaria	Hungary	COR	Mongolia	Poland	Romania	USSR	CSSR	Total for listed countries
Size of population.	1.23	1.16	0.91	2.23	1.45	1.37	1.49	1.24	1.41
Produced national income. .	11.8	4.9	6.7	6.9	5.5	14.5	8.9	5.0	8.2
Gross output of industry. .	25.3	8.6	9.7	18.0	12.8	34.2	12.2	8.6	13.1
Capital investments	20.9	6.6	14.6	96.0	8.1	31.0	10.7	7.5	10.8
Gross output of agriculture	3.2	1.9	2.3	1.6	1.6	3.2	2.4	1.7	2.3
Reciprocal foreign trade turnover.	54.2	32.5	28.4	11.9	18.8	19.2	31.4	21.0	29.0

The presence of modern sectors of industry within the national economic complexes of many CEMA member countries is creating favorable conditions for their further active involvement in the international socialist division of labor. That is why it is important to improve the intersectorial and intrasectorial proportions and to increase the concentration of production at enterprises of the optimum size, which use the latest equipment and advanced technology. The economic growth of the countries of the community and the intensification of the division of labor among them also involve the overcoming of the lag in the development of the infrastructure. All this is causing the need for the more effective coordination within the framework of the mutual consultations on the economic policy of the CEMA member countries of the directions of the improvement of the formed structures.

The international socialist division of labor makes it possible to concentrate national resources, scientific research and production capacities and financial assets primarily in individual subsectors and types of works and thereby to ensure their efficiency. The type of specialization is also manifested in the combination of types and components of the structure, which is specific in each complex. It is a matter of such a correlation of the structure of the CEMA member countries, which promotes their gradual mutual complementing on the path of the development of the international socialist division of labor. In this sense the comprehensive nature of the national economic structure does not hinder specialization but, on the contrary, opens broad horizons before it.

The type of specialization reflects the specific nature of the involvement of the national economic complex of each CEMA member country in the mutual division of labor, which is especially clearly traced in machine building, the fuel, energy, raw material, chemical and other sectors of industry. The level of specialization of

the national economic complexes directly depends mainly on such factors as the magnitude of the economic potential (the amount of produced national income, the size of the population, the capacity of the domestic market and so on), the supply with natural resources and the level of scientific, technical, industrial and economic development (Table 2). The value of the correlation of the foreign trade turnover or individual parts of it with the national income to a certain extent characterizes it. The greater the ratio of the value of exports to the value of the produced national income or of the value of imports to the value of the used national income is, the greater the degree of involvement of the national economic complex in the international division of labor is and accordingly the higher the level of its specialization is.

Table 2

Proportion of the CEMA Member Countries According to the Most Important
Natural Economic Characteristics in 1981
(CEMA member countries = 100, percent)

	Population	National income	Scientific and technical potential		Foreign trade turnover
			Number of scientific and technical personnel	Expenditures on scientific research and experimental design work	
Bulgaria.	2.0	2.3	1.2	1.3	6.1
Hungary	2.4	2.6	0.4	2.1	9.1
SRV	12.4	--	--	--	--
GDR	3.8	6.0	2.5	5.9	11.5 ¹
Republic of Cuba. .	2.2	--	0.4	--	3.4 ¹
Mongolia.	0.4	--	0.2	0.03	0.3
Poland.	8.1	8.2	2.9	4.4	8.8
Romania	5.0	5.5	2.7	2.2	6.8
USSR.	60.3	70.7	86.4	79.5	44.7
CSSR.	3.4	4.7	3.3	4.57	8.9

1. 1980.

Here the scale of the given complex is taken into account without fail. As a rule, given a smaller economic potential of the country the level of specialization of its national economic complex is higher. But in case of a comparatively small amount, a narrow range of national resources and a limited domestic market it is not possible to develop production in the optimum amounts. This is achievable only in case of active participation in the international division of labor. In the countries with a large economic potential the need for participation in international economic activity is somewhat weaker. Nevertheless the share of the Soviet Union in the total volume of the foreign trade turnover of the CEMA member countries (excluding the SRV) increased from 40.1 percent in 1970 to 44.7 percent in 1981.

The enormous economic, scientific and technical potential (about three-fourths of the scientific and technical potential of the CEMA member countries), the exceptionally capacious domestic market and abundant natural resources predetermine the leading role of the USSR in the development of socialist economic integration. The national economic complexes of Poland, the GDR, Romania, the CSSR, Hungary and Bulgaria are next in the scale of the economic potential. It is advisable to make into a special group the forming national economic complexes of the less industrially developed countries of the community--the SRV, the Republic of Cuba and Mongolia, which have a smaller economic, scientific and technical potential. Among the CEMA member countries the SRV holds second place after the USSR in the size of the population, which is important when considering the prospects of the participation of Vietnam in socialist economic integration.

The level and type of their specialization depend to a considerable extent on the degree of supply of the national economic complexes of the CEMA member countries with natural resources--primary energy carriers, basic raw materials for ferrous and nonferrous metallurgy, the chemical industry and so on. The less a country is supplied with natural resources, the more it needs the international division of labor. Within the socialist community the USSR has major natural resources. Such countries as Poland, Mongolia, the SRV and Romania have quite significant reserves of several natural resources. The CSSR, the GDR, Hungary, Bulgaria and the Republic of Cuba are poorly supplied with them. At the same time Bulgaria, Hungary and Romania have very favorable soil and climatic conditions for the development of vegetable growing and the growing of fruits and grapes. Great possibilities for the development of tropical farming exist in the Republic of Cuba and the SRV and for the development of animal husbandry--in Mongolia.

The needs and possibilities of the specialization of the national economic complex increase as the level of economic development increases. The decrease of the differences in the levels of the economic, scientific and technical development of individual countries creates favorable conditions for the more extensive and thorough specialization of their production. One should, however, bear in mind that the direct influence of this factor on the type and level of specialization of the national economic complexes is revealed only in case of other identical conditions, especially in case of equal economic potentials. The convergence and gradual equalization of the levels of economic development of the CEMA member countries are promoting the increase of the degree of specialization of the national economic complexes.

Along with the establishment of the level of development of the specialization of the national economic complexes its type should also be distinguished. In particular, the indicator of the "export" or "import" specialization is used for its determination. The most significant changes in the type of specialization of the national economic complexes of the CEMA countries, which occurred in 1971-1981, are cited in Table 3.

Over the past 11 years the type of specialization of the national economic complex of Bulgaria, first of all with respect to commodity group I, changed significantly (see Table 3). Bulgaria was transformed from a primary importer of goods of the named group into a net exporter of the products of machine building, the

coefficient of the type of specialization¹ of this group of products during 1971-1981 increased from 0.71 to 1.36. This increase occurred as a result of the substantial increase of the proportion of machines and equipment in the exports of the country with the simultaneous maintenance of their proportion in imports.

Table 3

Changes in the Commodity Structure of Exports and Imports in the Foreign Trade of CEMA Member Countries in 1981 as Compared With 1970 (percent)

Commodity group	Product	Bul-garia	Hun-gary	GDR	Mon-golia	Po-land	Ro-mania	USSR	CSSR
I	Machines, equipment and means of transportation								
	exports.	16.7	-1.2	-0.4	0.0	11.5	6.2	-7.8	1.9
	imports.	-7.0	-1.2	-3.4	9.0	-5.7	-16.7	-5.4	1.2
II	Fuel, mineral raw materials, metals								
	exports.	6.5	-1.8	4.7	29.0	-2.6	5.1	21.4	-3.7
	imports.	15.3	3.1	9.1	11.6	5.2	18.2	2.1	12.7
III	Raw materials and products of their processing (nonfood), raw materials for production of food flavoring goods, food flavoring goods:								
	exports.	-20.6	1.5	-1.1	-33.5	-7.7	-10.7	-11.9	0.6
	imports.	-5.8	-6.0	-9.2	-0.5	2.6	1.9	8.8	-9.4
IV	Industrial consumer goods								
	exports.	-5.4	-4.1	-5.4	4.9	-0.2	-2.4	-0.9	0.1
	imports.	-1.0	1.0	0.5	-16.8	-0.4	-2.0	-6.1	-3.2
V	Chemical products, fertilizers, rubber, construction materials and other goods								
	exports.	3.1	5.6	2.2	-0.4	-1.0	1.8	-0.8	1.1
	imports.	-1.2	3.1	3.0	-3.3	-1.7	-1.4	-0.2	-1.3

During the period being studied a great export-intensiveness of commodity groups IV and III was also revealed in the national economic complex of Bulgaria. The coefficient of the type of specialization with respect to these commodity groups was equal in 1970 to 2.58 and 2.73, while in 1981—2.0 and 2.25. The national economic

1. It is the ratio of the volume of exports to the volume of imports with respect to the commodity group in question. If the given ratio is greater than 1, the quantitative value of the named coefficient characterizes the type of specialization as the export type; when the indicated ratio is less than 1, the coefficient characterizes the type of specialization as the import type.

complex of Bulgaria is a net importer with respect to commodity group II, the coefficient of the type of specialization for which came respectively to 0.28 and 0.32.

The process of the intensification of the economic complex of Hungary, in which with the relatively proportionate increase of the volume of exports and imports of commodity group I a balance has been maintained between them, since the coefficient of the type of specialization was equal to 1.05 in 1970 and 1981, has formed differently. At the same time the export function of commodity group III has increased significantly, since the coefficient of specialization here increased during 1971-1981 from 1.09 to 1.53, and the proportion of exports with respect to commodity group IV remained high (the coefficient of the type of specialization in 1971 came to 2.77 and in 1981 to 1.97). It should be noted that the proportion of imports in commodity group II increased and the proportion of exports decreased somewhat (the coefficient of the type of specialization decreased from 0.61 to 0.47).

The GDR, while traditionally being an exporter of machines and equipment, strengthened its positions with respect to this commodity group, the coefficient of the type of its export specialization increased from 1.51 in 1970 to 1.66 in 1981. At the same time the export load on commodity groups IV and V decreased, although the commodities of both groups retained the role of an important means of payment. The coefficient of the type of specialization in them changed in the following manner: for commodity group IV it decreased from 4.49 (1970) to 2.96 (1981); for commodity group V--respectively from 1.89 to 1.48. In commodity groups II and III the following coefficients reflect the predominance of imports over exports: 0.37 and 0.40; 0.26 and 0.33 respectively.

The economic complex of Mongolia during the entire period retained an unbalanced type of specialization, which found reflection in the predominance of imports over exports for the majority of commodity groups. Commodity group III, with respect to which Mongolia is a traditional supplier, is the exception, although the coefficient of export specialization decreased from 5.84 (1970) to 3.73 (1981). Mongolia, while being a net importer with respect to all the remaining commodity groups, is notable for the fact that with respect to commodity groups II and IV Mongolia has a relatively greater volume of exports than with respect to commodity groups I and V.

A certain preponderance of exports over imports with respect to commodity group I was retained in the national economic complex of Poland, and the coefficient of the type of specialization increased from 1.06 in 1970 to 1.63 in 1981. A high coefficient of the type of specialization in this country is also noted with respect to commodity group IV; it was respectively equal to 2.52 and 2.65. In Poland the import load on commodity group II increased somewhat (the coefficient of the type of specialization came to 0.9 and 0.66), but it is much less than for the other European countries, except the USSR. The import load on commodity group III, the coefficient of the type of specialization of which decreased from 0.74 (1970) to 0.34 (1981), increased significantly.

In the economic complex of Romania during 1971-1981 the unfavorable balance with respect to commodity group I decreased as a result of the increase of the proportion of the exports and the decrease of the proportion of the imports of products of machine building. The quantitative value of the coefficient of the type of specialization for this group increased from 0.57 to 1.22. Along with the indicated peculiarity it should be noted that the export function of commodity groups IV and V

increased. The corresponding values of the coefficient of the type of specialization are as follows: for group IV--3.29 (1970) and 4.48 (1981), for group V--respectively 1.14 and 1.62. The import load on commodity group II increased (the coefficient of the type of specialization was equal to 0.75 and 0.6), with respect to commodity group III the value of the coefficient of export specialization decreased from 1.74 to 0.93.

The Soviet Union during the entire period in question was a stable exporter with respect to commodity group II. The role of the USSR as a net exporter of fuel and mineral raw materials increased, to which the increase of the coefficient of the type of specialization with respect to this group from 3.23 in 1970 to 4.28 in 1981 attests. With respect to commodity group V the USSR decreased somewhat the level of its export specialization. Its coefficient of the type of specialization changed from 1.91 to 1.87. With respect to the other commodity groups the USSR is a net importer. Here the gap between the proportion of exports and the proportion of imports increased with respect to commodity group I (the coefficient of the type of specialization decreased from 0.6 in 1970 to 0.45 in 1981) and commodity group III (from 0.78 to 0.22). The coefficient of the type of specialization with respect to commodity group IV remained unchanged--0.15.

Czechoslovakia traditionally exports products of machine building. The corresponding coefficient of export specialization during the period in question did not change and came to 1.5. The coefficient of the type of specialization in the CSSR increased with respect to commodity group IV from 1.95 to 3.15 first of all due to the decrease of the proportion of imports of these goods. With respect to the other commodity groups Czechoslovakia is a net importer. However, with respect to commodity group II the coefficient of the type of specialization decreased from 0.79 in 1970 to 0.41 in 1981 (in commodity groups III and IV it increased from 0.3 and 0.68 to 0.89).

As a whole the national economic complexes of the CSSR, the GDR, Poland, Bulgaria and Hungary have high indicators of export specialization with respect to commodity group I. Tendencies for these indicators to increase have been noted in Bulgaria and Poland, while tendencies for them to decrease somewhat have been noted in the GDR, the CSSR and Hungary. The indicators of export specialization with respect to chemical products and fertilizers are very high in the national economic complex of the USSR, then follow the economic complexes of Romania and the GDR. Especially high indicators of export specialization with respect to food flavoring goods are characteristic of Bulgaria, Hungary and Poland. The national economic complexes of Romania, the GDR, Hungary, the CSSR and Bulgaria have significant levels of export specialization with respect to industrial consumer goods.

The transformation of agrarian structures into industrial (industrial-agrarian) structures is at the same time a transition from one-sided structures to comprehensive and at the same time specialized structures. Along with many changes of an economic and social nature the transformation of the agrarian structure into an industrial structure leads to a certain increase of the efficiency of living and embodied labor. The impact of macrostructural changes is connected with the intersectorial redistribution of these types of labor and with the sectorial differentiation of its efficiency, with the intensification of the diversification of production.

In 1981 the level of labor productivity in agriculture of Bulgaria came to 61 percent, Hungary--45 percent, the GDR--56 percent, Poland--78 percent, Romania--38 percent, the USSR--46 percent and the CSSR--29 percent of the level of labor productivity in industry and construction of these countries, while the output-capital ratio in agriculture of these countries was equal respectively to 119, 65, 63, 123, 116, 61 and 37 percent of the level of the output-capital ratio in industry and construction. The fact that the proportion of the population employed in agriculture and forestry of the CEMA member countries from 1950 to 1981 decreased to approximately one-third to one-half, attests to the redistribution of living labor. At the same time the proportion of the population employed in industry and construction increased quite intensively.

From Table 4 it is evident that during 1951-1960 the proportion of the national income, which was due to macrostructural changes in the overall increase of the national income of the CEMA member countries, came to a significant amount--from 13 percent in the GDR and 34 percent in Romania during 1951-1960 to respectively 6 and 39 percent in 1961-1981.

Table 4

Influence of the Factor of Structural Changes on the Increase of National Income
(percent)

	Proportion of factor in total amount of increase of national income					
	Change of sectorial structure of workers and employees		Change of intersectorial ratios in labor productivity		Impact of macrostructural changes	
	1951-1960	1961-1981	1951-1960	1961-1981	1951-1960	1961-1981
Bulgaria.	28	20	1	14	29	34
Hungary .	10	10	14	12	25	22
GDR . . .	6	5	7	1	13	6
Poland. .	7	10	20	21	27	31
Romania .	30	15	4	24	34	39
USSR. . .	6	12	9	15	15	27
CSSR. . .	14	6	8	12	22	18

Consequently, during the second period (1961-1981) the intensity of the influence of macrostructural changes on the increase of the national income in the European CEMA countries was also quite high. In the national economic complexes of Bulgaria, Poland, Romania and the USSR the influence of this factor even increased; true, in the other countries it decreased somewhat.

Thus, macrostructural changes, while being a factor of the increase of the national income of all the CEMA member countries, at the same time promote the equalization of the levels of their scientific, technical, industrial and economic development.

Thus, it is possible to note the achievement of diverse interrelations and the interconditionality of the international socialist division of labor and the national economic complexes of the CEMA member countries as the basis of their planned co-operation and the balanced economic development of individual countries and the entire socialist community.

On the one hand, with the increase of the overall level of economic development of the socialist community and the leveling of the differences between the CEMA member countries the objective prerequisites are created for the development and intensification of the specialization of the national economic complexes of these countries, which encompasses all the levels of the national economic structures. On the other, the specialization of the national economic complexes is turning into the most important motive force of development, into an independent factor which directly influences their economic development.

It is possible to distinguish the basic directions of the influence of the international division of labor on the national economic complexes of the CEMA member countries. In particular, the multidimensionality of these interrelations is promoting:

the broadening of the opportunities of the joint solution of the basic socioeconomic, scientific and technical problems of the development of the socialist community;

the better use in the interests of each country and the entire socialist community of the specific natural geographic and economic conditions and advantages in specific areas;

the acceleration of the process of the intensification of production;

the intensification of progressive structural changes and the increase of the complementarity of the structures of the national economic complexes;

the increase of production efficiency owing to the creation of the optimum scale of production on the basis of the international concentration of production;

the increase of the technical level and quality of the items being produced.

The prospects of the development of the national economic complexes of the CEMA member countries, the intensification and the increase of the efficiency of their specialization and the further improvement of all the types of national economic structures are directly connected with the implementation in the key sectors of the national economy of the long-term goal programs of cooperation, which were approved at the 32d and 33d meetings of the CEMA Session. These programs envisage the increase of the cooperation of the national economic complexes of the CEMA member countries for the purpose of meeting the economically sound needs for the basic types of fuel, energy and raw materials, for technically advanced machines and equipment by means of the qualitative reorganization of machine building, for various foodstuffs, for high quality industrial consumer goods and for the development of transportation ties.

The subprograms, which were elaborated for each of the five long-term goal programs of cooperation as a form of their detailed elaboration, contain parameters of the development of the sectors and subsectors of the national economy, which have been coordinated on an interstate scale. Here not only the result, but also the process of the implementation of the long-term goal programs of cooperation are of great importance, since during it the possibility of coordinating the type of specialization of the national economic complexes of the CEMA member countries in the interests of the improvement of their national economic structures appears.

The fulfillment of the bilateral long-term programs of specialization and cooperation in the area of physical production up to 1990 between the USSR and the other European CEMA member countries will undoubtedly promote the acceleration of the indicated processes. The long-term program of specialization and cooperation is an interstate planning document, which was drawn up in close coordination with the long-term goal programs of cooperation and reflects the overall strategic policy of the CEMA member countries of the intensive cooperation of their national economic complexes. In reality, the long-term programs of specialization and cooperation are a prerequisite of the coordinated formation of the type of specialization of the economic complexes of the CEMA member countries. They will govern the improvement of the national economic structures on the basis of the achievements of scientific and technical progress and, what is the most important thing, will prepare practicable prerequisites of an organizational and material nature for the intensification of their mutual adaptation. The measures of the long-term programs of specialization and cooperation supplement the long-term goal programs of cooperation and prepare the broadening and intensification of the use of the advantages of the mutual division of labor with allowance made for the formed type and achieved level of the specialization of the economic complex of each of the CEMA member countries.

These programs, if they are viewed from the standpoint of the management of the sectors of industry, are of great importance for the increase of the level of specialization of the national economic complexes in the sense that their implementation will cause the most extensive introduction in the practice of integration cooperation of direct ties between the enterprises and associations of the CEMA member countries, will lend them flexibility and efficiency and will create the conditions for the display by these partners of greater initiative and material interest.

The improvement of the ties between complexes will enable each of the countries when planning their economy for the long-range future to take into account the conditions of the community at all the phases of the reproduction process and to use domestic resources efficiently. Moreover, the possibility of linking the unsolved, vitally important economic problems of the rapid development of scientific and technical progress, the production infrastructure, the nonproduction sphere, the protection and reproduction of the environment and others will appear in the process of intensifying the cooperation of the national economic complexes.

This conforms to the basic decisions of the congresses of the fraternal parties of the socialist states, which were held during 1979-1982, and corresponds to the general prospect of the development of the integration process, the requirements of the strengthening of the scientific and technical potential and the production apparatus, the economical consumption of resources, the forming demographic situation and the strain of the balance of manpower, the rationalization of the use of investment capital and the task of the rapid transition to the intensive type of expanded reproduction for the purpose of increasing the well-being of the people in the CEMA member countries.

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USSR-CEMA TRADE

INTRA-CEMA COOPERATION HIGHLIGHTED

Moscow EKONOMICHESKAYA GAZETA in Russian No 24, Jun 83 p 20

[Article by I. Oleynik, CPSU Central Committee Academy of Social Sciences professor: "Cooperation in the Interest of the Workers"]

[Text] The implementation of an agreed strategy for economic development by the member countries of CEMA helps them to solve complicated tasks in the various areas of material production. Practically all of these tasks are aimed at further improving the material and cultural level of the working people's life. In this regard, an especially large role is being allotted to the long-range special purpose program for the cooperation of CEMA member countries in the area of agriculture and the food industry. It has recently received further development and concrete definition in the food programs which have been adopted and are being developed in the individual countries of the commonwealth.

The USSR Food Program, which was adopted by the May 1982 CPSU Central Committee Plenum, specifically directs the foreign economic ties of our country toward "finding additional capabilities for increasing the production of all types of food in the interest of further raising the prosperity of the Soviet people and the peoples of the fraternal socialist countries by deepening in every way possible the socialist economic integration of the CEMA member countries."

As was pointed out by the Soviet delegation to the 36th meeting of the CEMA session in June 1982, our country intends to make wide use of the multifaceted cooperation with the CEMA countries in developing the agro-industrial complex and to shift from an exchange of information about progressive experiences to mutually beneficial cooperation in the practical use of advanced technologies.

Mutual Deliveries of Equipment

One of the important avenues of cooperation with the fraternal countries in the implementation of food tasks is the strengthening of the material and technical base of the agro-technical industrial complex, cooperation and specialization in expanding the production and mutual deliveries of systems for the complete mechanization and chemicalization of agriculture and of

machinery and equipment for improving the capabilities and technical level of the food industry.

In exchange for high-power tractors, grain harvester combines and other equipment for agriculture and the food industry whose production the USSR specializes in, our country imports from the fraternal countries small tractors; silage harvesting combines; machinery and equipment for cultivating grain, increasing the mechanization of labor in vegetable and grape growing and applying fertilizer; complex equipment for sugar, yeast and cheese plants, breweries and fruit juice plants; and equipment and construction designs for broiler and pure-strain poultry plants.

During the last five-year plan alone, the USSR imported from the CEMA countries more than 26,000 tractors; 291,000 machines for cultivating grain, potatoes and vegetables; 394,000 machines for the production of fodder; and more than 9,000 items of equipment for land-reclamation work. Imports of equipment for the food, meat and fish industry in 1985 will exceed the 1980 level twofold. A total of 24 lines for the production of dry smoked sausage, 80 lines for the production of boiled sausage, 34 lines for the slaughtering and processing of poultry, 31 lines for the processing and drying of vegetables, 20 equipment sets for fruit storehouses, 30 automated lines for the production of tin cans, and other equipment will be imported. The delivery to the Soviet Union of 247 fishing boats of various types, including fish processing factories, refrigerated transport ships and dry cargo transport vessels, by the fraternal countries has also been provided for.

Mutual deliveries of mineral fertilizers, chemicals to protect plants and combat animal diseases, chemical and biological additives for fodder, and raw materials for their manufacture are being expanded.

By allotting special purpose credits, the individual CEMA countries have participated in expanding the capabilities in mining potassium salts in Soligorsk and in the construction of the second phase of the combine for producing granulated ammophos in the Kingisepp region and are delivering equipment for the production of sulphuric acid, which is an important semi-product for phosphoric fertilizer, and also for the production of other intermediate products. In its turn, the Soviet Union delivers to the fraternal countries individual types of fertilizer and required raw materials, in particular, petrochemical and natural gas which are the main starting products for the production of fertilizer and systems to protect vegetation.

The Food Program provides for cooperation with the CEMA countries in the development of the animal feed industry and in the production of enzyme agents and chemical additives for fodder which are an important stimulator in raising the assimilability of the fodder and increasing the weight of the animals. Thus, a nutrient yeast plant with a capacity of 300,000 tons using petroleum paraffin will be constructed in the USSR with the help of the fraternal countries. A specialized nature is being attached to the production of fodder within the system of cooperation. The accelerated introduction of advanced technologies for the laying-in and storage of fodder is being planned.

Capabilities of Selection

The scientific and technical cooperation of the USSR with the fraternal countries in the finding and use of high-yield types and hybrids of agriculture crops, in cultivating seeds and planting material and in using the general stocks of the best plants and animals, is being expanded.

Several hundreds types of individual agricultural crops have been grown and divided into districts through the joint efforts of the CEMA countries. This permits progressive strain up-dating to be implemented. At the present time, the international testing of 27 agricultural crop types and hybrids and of seven types of fruits is taking place.

In exchange for the appropriate deliveries to the fraternal countries, the USSR has imported during the last ten years from these countries more than 413,000 tons of high-yield grain and leguminous plant seeds, more than 38,000 tons of fodder seed, about 11,000 tons of vegetable seeds, and a large amount of grape cuttings and fruit seedlings. These are primarily the high-yield types of corn from Hungary and Yugoslavia, spring barley from the GDR and the Czechoslovak Socialist Republic and oats from the GDR and the Polish People's Republic. Approximately one-fifth of our area sown with corn for grain and a considerable part of the area sown with other crops are occupied by strains which were grown by selection people in the CEMA countries. This is providing an additional 1.5-2 million tons of grain each year. At the same time, more than 70 strains and hybrids of winter wheat, corn, sunflowers, rice, and other crops, which have been developed by Soviet selection personnel and whose yield exceeds the average for the country by 10-15 percent, have been divided into districts in the fraternal countries.

In accordance with one of the agreements, the CEMA countries will specialize in the production of 45 agricultural crops beginning with 1985, and the mutual annual deliveries of strain seeds will reach almost 230,000 tons during the current five-year plan as opposed to 175,000 tons during the last five-year plan. Soviet imports of seeds and planting material from the fraternal countries will grow by 14 percent during the five-year plan. Our exports of the mentioned products to these countries will increase approximately to the same degree.

Strains and hybrids of grain, which have a potential yield of 70-80 and more quintals per hectare, have been created by the joint efforts of selection personnel in the USSR and the other CEMA countries.

At the same time, questions on increasing the effectiveness of animal husbandry by using the genetic potential of the best animal and poultry breeds, are being solved. During the last decade, our country purchased from its CEMA partners approximately 12,000 head of thoroughbred cattle, 2,500 pigs, more than 19,000 sheep, and several tens of thousands of doses of semen from very pure-bred bulls, having delivered to these countries a considerable amount of our own pure-bred strains of cattle.

An automatic analyzer of cellular structures has been developed by the joint efforts of the CEMA countries. It is possible with its help to monitor the hereditary stability of hybrids and new types of plants and strains of cattle. These analyzers have been patented in the United States, England and the FRG.

Other Avenues

Economic and scientific and technical cooperation with the CEMA countries is being expanded in the area of land reclamation and irrigation, and joint measures to decrease losses of products in plant growing and animal husbandry during harvesting, transportation, processing, storing, and sales to the population are being implemented. One of the avenues of cooperation in improving the storage and final yields of products is the participation of the fraternal countries in the construction or expansion of the capacities of elevators, coal storage warehouses, vegetable storehouses, and enterprises to expand and improve effectiveness in processing vegetable and animal husbandry products, including secondary raw materials, and the shift on the basis of this to waste-free technologies in the food industry. The specialization and cooperation in the production of container and packaging materials are being expanded.

Mutual deliveries of individual types of prepared agricultural and food industry products, whose cultivation is possible and more effective in individual fraternal countries because of the differences in natural and climatic conditions, are being increased.

The exchange of progressive experience will also be continued. In particular, the positive aspects of the Hungarian experience in the creation and operation of so-called industrial production systems for growing individual agricultural crops are being summarized and used in our country. These systems represent a specific form of agro-industrial integration that contributes to the widespread use of advanced and more effective methods for organizing agricultural production. For example, the use of this experience in the USSR during the growing of corn for grain raises its yield by 10-15 percent per hectare, decreases expenditures per unit of production by approximately one and a half-fold, and decreases costs by 30 percent. The experience of the Czechoslovak Socialist Republic in growing hops, of Romania in cultivating soy-beans, of the GDR in selecting sugar beets and in equipment for the post-harvest processing of grass seeds, and of the Hungarian People's Republic, the GDR and the Czechoslovak Socialist Republic in the production of poultry products is also being used.

On the other hand, Soviet experience in cultivating sugar beets is being used in Hungary. This has contributed to increasing their yield to 345 quintals per hectare of sown area (or 55 quintals recalculated as sugar). Soviet experience in growing flax, hemp and castor-oil plants has been incorporated in Romania. The use of Soviet experience has permitted the technology in a number of branches in the wine-making, dairy, oil extraction, and baking industry in the People's Republic of Bulgaria and in the production of lemon acid in the GDR and of sugar in the Republic of Cuba to be modernized.

The further deepening and improvement of the effectiveness of cooperation with the CEMA countries will be an every more effective factor in the development of agriculture and of the entire agro-industrial complex in the USSR and the other fraternal countries, in improving the supplying of them with food and agricultural raw material, and in the growth of the people's prosperity.

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USSR-CEMA TRADE

CEMA TRADE, AID TO LDCs

Moscow EKONOMICHESKAYA GAZETA in Russian No 26, Jun 83 p 20

[Article by A. Vlasov, candidate of economic sciences: "A Mutually Beneficial Partnership"]

[Text] The diversity of economic ties with the young independent states of Asia, Africa and Latin America is constantly at the center of the CEMA member countries' attention. The steady development of these ties contributes to strengthening the economic independence and industrialization of the liberated countries, contributing in turn to the satisfaction of a number of the socialist states' needs.

Quantitative Growth

On the whole, the volume of the CEMA member countries' economic ties with the young states is continuously growing. The steady growth in trade between the partners, for example, testifies to this. From 1970 to 1981, its overall value grew sixfold -- from five billion rubles to 30 billion.

The volume of the socialist commonwealth countries' technical and economic aid to the developing states is steadily growing. Enterprises, which have been built with the help of CEMA member countries, have played an important role in insuring the independent economic development of a whole series of Asian and African states. The overall volume of commitments of the socialist commonwealth states to provide this type of assistance expanded threefold during the Seventies; in this regard, the number of developing partner countries grew from 62 to 97 by 1983.

Capacities for the production of 1.6 million tons of steel, 4.8 million tons of sinter and more than two million tons of coke have been constructed and put into operation in the countries of Asia, Africa and Latin America during the period 1980-1982 with the technical and economic assistance of the USSR.

The assistance of the CEMA member countries in creating multi-branch territorial and production complexes in the young states, especially in those which have selected a course oriented on a socialist development, is acquiring ever more significance in the development of the cooperation. In these cases, a wide circle of tasks is being solved simultaneously -- from tying technological processes and the production of individual products into a single chain

to such social problems as the training of skilled personnel, increasing employment and the construction of cultural and living establishments and health centers.

Thus, the erection of a foundry and accessories complex and pump plant in Algeria at the end of the Seventies with the assistance of the GDR and the Czechoslovak Socialist Republic has permitted that country to give up the importing of a wide gamut of items, to use part of the products of the enterprises for land reclamation work in the near-by desert areas -- this has increased the productivity of agriculture, and finally, to create more than a thousand additional work positions in this formerly particularly agrarian region.

Cooperation in the solution of problems, which are connected with the critical shortage of skilled personnel in the liberated countries, also continues to be expanded. In this area, the efforts of the CEMA member countries are being concentrated on two avenues: the sending of highly qualified specialists to the developing countries and the training of national cadres.

Qualitative Improvements

Definite qualitative improvements in the development of economic ties between the CEMA countries and the young states occurred on the frontier of the Seventies and Eighties. These primarily concerned the organizational and legal mechanism of these relationships. Its usual elements (intergovernmental agreements on trade and payments, agreements between the individual ministries and departments of the different countries, the activity of special permanent bodies for the development of trade ties, and others) were supplemented in the Seventies by composite long-range programs for economic, trade, scientific, and technical cooperation with periods for 10-15 years.

In order to monitor the progress in carrying out the economic cooperation programs, the socialist states and a number of developing ones considered it necessary in the mid-Seventies to create special bodies -- intergovernmental commissions -- for this purpose. They were granted broad powers and this permitted them to solve effectively the problems which arose during the implementation of the appropriate economic agreements.

The circle of questions, which is examined during meetings of the commissions, is sufficiently vast. Thus, a protocol on the construction of a hydroelectric station in Ethiopia was signed during a meeting of the Czechoslovak Socialist Republic-Ethiopian intergovernmental commission in 1981, and the carrying out of a number of projects in the industry, agriculture, construction and health care of Cameroon was planned during a session of the GDR-Cameroon commission.

Beginning with the second half of the Seventies, cooperation between the planning bodies of the European CEMA countries and a number of developing states rapidly expanded. Besides the help of CEMA country specialists in compiling the national developmental plans of a number of young independent states and the exchange of various information, the first steps towards coordinating the economic developmental plans of the individual countries were taken at the end of the last decade.

One form of cooperation is the participation of several developing countries in the work of CEMA. The CEMA-Iraq and CEMA-Mexico commissions, which engage in working out specific coordination matters, have been operating since 1975.

Such socialist oriented countries as Afghanistan and the People's Democratic Republic of Yemen are participating in the work of several CEMA bodies as observers.

Diverse Forms

One of the most important features in the development of the CEMA member countries' economic ties with the developing states during recent years has been the expansion of the different forms of production cooperation. Based on available calculations, more than 300 treaties and agreements on production cooperation had been signed and implemented by the beginning of the Eighties.

One form of this cooperation is the production contract. Within its framework, one of the parties (as a rule the socialist states) orders the needed items from the other party (basically the developing states), granting licenses and providing equipment and frequently components for their production. For example, Indian firms have delivered individual types of ship's equipment to the GDR and part of the cotton items, which were produced from Soviet cotton sent to India for reprocessing, to the Soviet Union under the conditions of a contract.

The production cooperation of the European CEMA member countries with the liberated states is also being carried out in the form of joint production with the specialization of the partners in the production of certain units and components. For example, the Hungarian People's Republic is cooperating with Peru in the manufacturing of measuring instruments. The USSR has delivered individual items, units and other components for the assembly of steam turbines and steam turbine generators in an electrical equipment plant in India.

During recent years, such a form of production cooperation as the creation of joint production enterprises has been expanded in the relations practices of several European CEMA member countries with the developing states. The sphere of their activity is the mining and processing of mineral resources and the production of this or that item under license from the socialist countries. Thus, medicines, needed by Bangladesh, are being produced under license and with raw materials from the Hungarian People's Republic in a joint Hungarian-Bangladesh pharmaceutical enterprise. A Czechoslovak-Indian company is engaged in assembling "Zetor 2011"-type tractors from parts supplied from the Czechoslovak Socialist Republic.

Cooperation based on compensation is acquiring important significance in economic ties with the young states. Under present conditions, this is one of the most prospective forms of joint activity. Thus, more than 30 agreements

of this type, which provide for the assistance of the Soviet Union in the erection of enterprises in exchange for their subsequent delivery of their products, have been signed between the USSR and the developing countries. The largest of these agreements are the treaties for the delivery of gas to the USSR from Afghanistan, of oil from Syria and Iraq, of bauxite from Guinea and India, of alumina from India, of aluminum from Algeria, and of phosphates from Morocco. Deliveries of seamless pipes from India to the Hungarian People's Republic and of tires from Brazil to the Czechoslovak Socialist Republic are being implemented on the basis of similar treaties.

Multilateral cooperation can be called a new phenomenon in the practices of the present economic relationships between the CEMA member countries and the developing states. In particular, the People's Republic of Bulgaria and the Czechoslovak Socialist Republic have constructed by their joint efforts a thermoelectric plant in Algeria, and the construction of a thermal electric plant in Iran is taking place with the joint efforts of three countries (the USSR, Polish People's Republic and Hungarian People's Republic). In several cases, this cooperation assumes the participation in it of firms from the developed capitalist countries. The Italian company "Fiat" and two combines from the GDR participated in the construction of an enterprise for the production of castings from grey cast iron in Algeria.

At the end of the Seventies, the firms of some states had mastered the production and begun the export of complicated types of machinery and equipment. Under these conditions, the preconditions were created for the development of the fruitful cooperation of these companies with the organizations of the socialist states in the markets of third countries.

India is participating most actively in this type of cooperation. For example, the country's enterprises are producing oil drilling equipment and excavating machines for other countries in cooperation with the USSR and the Czechoslovak Socialist Republic. Soviet organizations signed a number of contracts in 1976 with India for the delivery of electrolysis equipment for an aluminum plant in the Socialist Federal Republic of Yugoslavia, of girder trans-loaders for a nickel plant in Cuba, and of coke equipment for metallurgical plants in the People's Republic of Bulgaria and the Arab Republic of Egypt.

On the frontier of the Seventies and Eighties, the appearance of a number of new forms of cooperation was noted in the fields of agriculture, fishing and engineer consulting activity. In the area of fishing, one of the new forms of cooperation is the leasing of trawlers to the developing countries in exchange for deliveries of part of the catch to the socialist countries. Mixed companies of several countries are also being created. The Bulgarian-Indian-Nigerian "Globfish" company catches fish, processes it and sells it in different countries of the world.

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The policy of developing mutually beneficial relations with the developing countries was again confirmed in the political declaration of the socialist countries which was adopted in January 1983 in Prague. Concerning our country,

as was pointed out in the message of the USSR Council of Ministers to the chairman of the 6th session of the UN Conference for Trade and Development (UNCTAD) "The providing of assistance and help to the developing countries in their struggle to overcome economic backwardness is the fundamental policy of our state".

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TRADE WITH INDUSTRIALIZED COUNTRIES

U.S.-SOVIET TRADE REVIEWED IN LIGHT OF EMBARGO

Riga SOVETSKAYA LATVIYA in Russian 2 Apr 83 p 3

[Interview with Vasilii Strigo, director of the Sayanskiy Aluminum Plant, by NOVOSTI Press Agency correspondent Petr Zubkov; date and place of interview not given]

[Text] The history of trade and economic relations between the USSR and the United States knows quite a few examples of how the forces, which are hostile to socialism, have repeatedly -- although unsuccessfully -- tried through a trade blockade or embargo, various types of discriminatory measures and economic "sanctions" to exert pressure on the socialist state, interfere in its internal affairs and force it to make political concessions.

The "economic sanctions" against the USSR, which were introduced by former U.S. President Carter in January 1980 and reinforced by the present President Reagan in December 1981, were the latest relapse of the imperialist policy of "from a position of strength" in trade. In order to exert political pressure the U. S. administration tightened the procedure for issuing permits for the sale of equipment to the USSR, halted flights by Aeroflot aircraft to the United States, slowed down scientific, technical and cultural ties, and postponed negotiations with the USSR on a new agreement on maritime navigation and on a new long-term agreement on trade in grain.

Historical experience shows that all such "sanctions" and "embargoes" in the final analysis turn against the United States.

According to data published in the United States, the embargo on the sale of grain to the Soviet Union, which was introduced by Carter, turned out to be a loss of 11.4 billion dollars in overall production, a loss of 310,000 working positions, and a decrease of 3.1 billion dollars in the personal incomes of Americans. If the increase in the debit item of the U.S. balance of payments as a result of the decrease in export deliveries and other losses is added to this, the total damage, which was inflicted by the "grain embargo" on the United States, is about 22 billion dollars.

Of course, it was not only agriculture but other sectors of the American economy which felt the negative consequences of the embargo policy.

In particular, the disruption in deliveries of technology and equipment for one of the largest Soviet enterprises -- the Sayanskiy Aluminum Plant -- is a concrete example of the negative consequences of the American trade and economic sanctions.

Vasily Strigo, the director of this plant, relates how this story of the American "sanctions" ended in an interview with Petr Zubkov, a NOVOSTI Press Agency correspondent.

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Vasily Strigo is speaking: "New equipment, which exceeded previously existing equipment in its basic indicators, had been created by the Alcoa Company. New electrolyzers had been designed for large scale production which should have been approximately three-fourfold more powerful than the American plants in the production of aluminium. The USSR was interested and had a great deal of experience in the creation of such enterprises, and the Americans had the desire to sell the equipment on a compensation basis. Negotiations on the delivery of the electrolyzers for the Sayanskiy plant took place in Moscow and Pittsburgh. The representatives of the USSR Ministry of Nonferrous Metallurgy and the Alcoa firm unanimously pointed out the mutual benefit of the contract; however, the Carter government judged otherwise and declared an embargo.

"I admit that we were disappointed. The Alcoa representatives also did not conceal their chagrin. Krome George, the head of the firm, sent a telegram in which it said that he regretted the breakdown of the business deal but that the firm was not able to fulfill the contract terms under the existing conditions. Alcoa had spent more than 50 million dollars on creating the electrolyzers and naturally wanted to make up this expenditure by selling electrolyzers or licenses. The Sayanskiy plant had become a good advertisement and insured a 'green light' for the new equipment."

[Question] As far as I know the electrolyzers have still not found a market, and the American economy is experiencing a large demand for aluminum....

[Answer] The United States actually occupies first place in the world in the consumption of aluminum; besides the five million tons that are produced in the country, about another million tons are imported annually. However, the Americans have been trying during recent years to export technology and receive prepared products in return. It is possible in this manner to save a significant amount of electrical energy and to shift energy-intensive production to "foreign fields".

As I have already said, the United States does not create giant factories, preferring to construct enterprises with a minimum of capital investment. The plants, which I have had occasion to visit during trips to the United States, are noted for their high technical level and large degree of automation. The American nonferrous metallurgy has rich traditions. We have seen operating 1926 model electrolyzers and nearby the most modern equipment.

The majority of the specialists possess high qualifications. The discussions with Alcoa engineers Roger Sharp and Jack Lang were very interesting for me from a professional point of view. Unfortunately, the policy of the U. S. administration slammed the "gates" of mutually beneficial cooperation in front of us and our American colleagues. As William Veriti, the chairman of the Armco Steel firm's board of directors, rightfully pointed out: "The trade sanctions, which were undertaken by the United States had only the result that many Soviet orders slipped away from the hands of American business and were transferred to other Western countries. The fact that the failure to fulfill contracts created the impression of unreliable partners about them also inflicted unquestionable damage on American companies...."

[Question] They often talk in the West about the Soviet Union's dependence on Western technology. What is the state of affairs in your branch?

[Answer] Understanding that it is impossible to be in the forefront in everything simultaneously, we have never concealed our interest in using progressive experience. However, the USSR does not come to the technology market with empty hands. Foreign firms have acquired more than 100 Soviet licenses for the production of nonferrous metals. The USSR is the possessor of 257 patents in effect in this branch.

For example, the American Magnesium Company has purchased Soviet technology and equipment for producing magnesium using the electrolytic method. The United States has also acquired a license for the electrothermal method of obtaining aluminum-silicon alloys.

The majority of contracts with foreign firms are being concluded on a compensatory basis. The Sayanskiy plant was no exception. Our business deals with the West German firms "Kleknet" and "KKhD" and the French "Peshine" company provide for deliveries of aluminum to these countries in exchange for the equipment being supplied.

[Question] What is it possible to say about the equipment which will be operating in the Sayanskiy plant?

[Answer] New Soviet and imported equipment -- electrolyzers and foundry and rolling assemblies which exceed by quite a bit the capabilities of those presently operating -- will be installed in the enterprise. The use of modern technology will insure the reliable protection of the environment. Thanks to a powerful gas cleaning system that the West German firms are supplying, the amount of harmful discharges into the atmosphere will be decreased sixfold. The plant will have a closed-loop water supply cycle. One of the largest hydroelectric power stations on the planet -- the Sayano-Shushenskaya (its design capacity is 6.4 million kilowatts) -- will support production with cheap electricity.

The construction of the aluminum plant is now in full swing. The first products will be received in 1984.

TRADE WITH INDUSTRIALIZED COUNTRIES

FINNISH-CEMA TRADE LINKS REVIEWED

Moscow EKONOMICHESKAYA GAZETA in Russian No 23, Jun 83 p 20

[Article by S. Shebeko, an expert in the USSR Ministry of Foreign Trade's administration for trade with Western countries: "10 Years of Cooperation Between CEMA and Finland"]

[Text] Since an agreement on cooperation between the Council for Economic Mutual Assistance and Finland was signed in May 1973, all the participants in this agreement have been convinced of the benefit and fruitfulness of their cooperation which completely satisfies the principles of the Final Act of the Helsinki conference.

The significant growth in their mutual foreign trade especially testifies to this. Trade between the CEMA countries and Finland increased from 0.9 billion rubles in 1973 to 5.5 billion in 1982. Finnish trade with the CEMA countries grew more rapidly during this period than Finland's trade in general: The value of Finland's total trade grew fourfold but that with the CEMA countries -- sixfold.

Finland's foreign trade with the largest country in the socialist commonwealth -- the Soviet Union -- has been successfully expanded. Its volume increased during these same years 6.7-fold -- from 777 million rubles in 1973 to 5.194 billion in 1982. Beginning in 1974, the USSR occupies first place in Finland's foreign trade; whereas its proportion in 1973 was about 12 percent, it grew to 25.6 percent in 1982. The proportion of all CEMA countries in Finnish trade has reached 28.3 percent.

Speaking recently in Helsinki in connection with the 10th anniversary of the agreement on Finnish cooperation with the CEMA member countries, I. Tatiola, the secretary of the Finnish department of the Commission on Cooperation, pointed out that the trade with the socialist countries is having a positive effect on the development of the Finnish economy. Finland imports from the CEMA countries metal-cutting machine tools, automobiles, timber, and solid and liquid fuels, exporting in turn products of the shipbuilding, cellulose paper and chemical industries.

The "General Conditions for the Delivery of Goods Between CEMA Countries and Finland", which were worked out within the framework of the foreign trade working group of the Commission for Cooperation Between CEMA and Finland and which contemplate a significant easing and simplification in the conducting of negotiations on agreeing to the terms of foreign trade contracts and the process for concluding and carrying them out, are exerting a positive effect on the growth of trade.

During the 10 years of activity of the branch working groups of the Commission for Cooperation Between CEMA and Finland, more than 50 agreements on multilateral economic, scientific and technical cooperation in the fields of machine building, the chemical and cellulose paper industry, transportation, construction, production of construction materials, forestry, and environmental protection have been concluded. On the Soviet Union's side, approximately 20 all-union branch ministries are taking part in this cooperation.

The agreements, which have been concluded on the commission's recommendations, are receiving more and more practical implementation. In the USSR, the results of the multilateral scientific and technical cooperation are finding application in the production of hoisting, transportation, woodworking and cellulose paper equipment, in shipbuilding, and in other areas. Soviet organizations are also participating in the work to carry out cooperation agreements in the area of creating individual types of energy and medical equipment and equipment for the food industry.

The working groups of the Commission for Cooperation Between CEMA and Finland are continuously searching for new subjects of cooperation, examining opportunities for joint activity in the most long-range branches of the national economy, and studying opportunities for the participation of Finnish firms and organizations in the integration measures of the socialist countries. In particular, in the cooperation of the CEMA countries with Finland there exists certain experience in the participation of Finnish firms and organizations in studying the individual subjects in the long-range special purpose programs of the CEMA countries in the fields of machine building and transportation.

The cooperation between the member countries of the Council for Economic Mutual Assistance and Finland serves as a convincing example of mutually beneficial trade, economic, scientific, and technical ties between states with different social systems.

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